



**Moses Kotane Local Municipality  
Annual financial statements  
for the year ended 30 June 2017**

# Moses Kotane Local Municipality

Annual Financial Statements for the year ended 30 June 2017

## General Information

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<b>Legal form of entity</b>	Municipality
<b>Nature of business and principal activities</b>	<p>The municipality is to, within its financial and administrative capacity :</p> <ul style="list-style-type: none"><li>-provide democratic and accountable government for the community;</li><li>-to ensure the provision of services to the community in a sustainable manner;</li><li>-to promote social and economic development; -</li><li>to promote a safe and healthy environment; and</li><li>to encourage the involvement of the community and community organisations in the matters of the municipality.</li></ul>
<b>Executive committee</b>	
Mayor	Cllr. R. Diale
Councillors	Cllr. S. Vava (Speaker) Cllr. M. Matshaba (Single whip) Cllr. T. Manganye (Chairperson of MPAC) Cllr. C. Motshabi Cllr. E. Mashimo Cllr. D. Tshetlhane Cllr. L. Kapari Cllr. X. Kheswa
<b>Grading of local authority</b>	Four
<b>Chief Finance Officer (CFO)</b>	Ms L.O. Ndlovu
<b>Accounting Officer</b>	Mr. V. Letsoalo
<b>Registered office</b>	Stand No.933 Station Road Unit 3 Mogwase Shopping Complex Mogwase 0314
<b>Business address</b>	Stand No.933 Station Road Unit 3 Mogwase Shopping Complex Mogwase 0314
<b>Postal address</b>	Private Bag X1011 Mogwase 0314
<b>Banker</b>	ABSA
<b>Auditors</b>	Auditor General South Africa
<b>Published</b>	30 November 2017

# Moses Kotane Local Municipality

Annual Financial Statements for the year ended 30 June 2017

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The reports and statements set out below comprise the annual financial statements presented to the provincial legislature:

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### Abbreviations

COID	Compensation for Occupational Injuries and Diseases
CRR	Capital Replacement Reserve
DBSA	Development Bank of South Africa
FMG	Financial Management Grant
SA GAAP	South African Statements of Generally Accepted Accounting Practice
GRAP	Generally Recognised Accounting Practice
GAMAP	Generally Accepted Municipal Accounting Practice
HDF	Housing Development Fund
IAS	International Accounting Standards
IMFO	Institute of Municipal Finance Officers
IPSAS	International Public Sector Accounting Standards
ME's	Municipal Entities
MEC	Member of the Executive Council
MFMA	Municipal Finance Management Act
MIG	Municipal Infrastructure Grant (Previously CMIP)

# Moses Kotane Local Municipality

Annual Financial Statements for the year ended 30 June 2017

## Accounting Officer's Responsibilities and Approval

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The accounting officers are required by the Municipal Finance Management Act (Act 56 of 2003), to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is the responsibility of the accounting officers to ensure that the annual financial statements fairly present the state of affairs of the municipality as at the end of the financial year and the results of its operations and cash flows for the period then ended. The external auditors are engaged to express an independent opinion on the annual financial statements and were given unrestricted access to all financial records and related data.

The annual financial statements have been prepared in accordance with Standards of Generally Recognised Accounting Practice (GRAP) including any interpretations, guidelines and directives issued by the Accounting Standards Board.

The annual financial statements are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

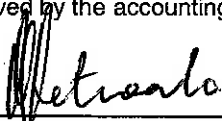
The accounting officers acknowledge that they are ultimately responsible for the system of internal financial control established by the municipality and place considerable importance on maintaining a strong control environment. To enable the accounting officers to meet these responsibilities, the accounting officer sets standards for internal control aimed at reducing the risk of error or deficit in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the municipality and all employees are required to maintain the highest ethical standards in ensuring the municipality's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the municipality is on identifying, assessing, managing and monitoring all known forms of risk across the municipality. While operating risk cannot be fully eliminated, the municipality endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The accounting officers are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or deficit.

The accounting officers have reviewed the municipality's cash flow forecast for the year to 30 June 2018 and, in the light of this review and the current financial position, they are satisfied that the municipality has or has access to adequate resources to continue in operational existence for the foreseeable future.

Although the accounting officer is primarily responsible for the financial affairs of the municipality, they are supported by the municipality's external auditors.

The annual financial statements set out on pages 8 to 60, which have been prepared on the going concern basis, were approved by the accounting officer on 31 August 2017 and were signed on its behalf by:



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**Mr. V. Letsoalo**  
Municipal Manager

# Moses Kotane Local Municipality

Annual Financial Statements for the year ended 30 June 2017

## Audit Committee Report

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We are pleased to present our report for the financial year ended 30 June 2017.

### Audit committee members and attendance

The audit committee consists of the members listed hereunder and should meet 4 times per annum as per its approved terms of reference. During the current year 3 meetings were held.

#### Name of member

Mr I.S. Mogotsi	Chairperson
Mr M. Makgale	Audit committee member
Mr S.A.B. Ngobeni	Audit committee member
Ms J. Masite	Audit committee member
Mr T. Zororo	Audit committee
Mr M. Makgale (Contract expired 31 May 2017)	Chairperson
Mr. C. Mabe (Contract expired 31 May 2017)	Audit committee member
Ms D. Mongwaketse (Contract expired 31 May 2017)	Audit committee member
Mr P. Chwene (Contract expired 31 May 2017)	Audit committee member
Mr. M. Ntshiea (Contract expired 31 May 2017)	Audit committee member

### Evaluation of annual financial statements

The audit committee has:

- reviewed and discussed the audited annual financial statements to be included in the annual report, with the Auditor-General and the Accounting Officer;
- reviewed the Auditor-General of South Africa's management report and management's response thereto;
- reviewed changes in accounting policies and practices;
- reviewed the entities compliance with legal and regulatory provisions;
- reviewed significant adjustments resulting from the audit.

The audit committee concur with and accept the Auditor-General of South Africa's report the annual financial statements, and are of the opinion that the audited annual financial statements should be accepted and read together with the report of the Auditor-General of South Africa.

### Internal audit

The audit committee is satisfied that the internal audit function is operating effectively and that it has addressed the risks pertinent to the municipality and its audits.

### Auditor-General of South Africa

The audit committee has met with the Auditor-General of South Africa to ensure that there are no unresolved issues.

  
\_\_\_\_\_  
Chairperson of the Audit Committee

Date: 29.11.2017



## Report of the Auditor General

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### To the Provincial Legislature of Moses Kotane Local Municipality

#### Report on the financial statements

I have audited the accompanying annual financial statements of the Moses Kotane Local Municipality which comprise the statement of financial position as at 30 June 2017, statement of financial performance, statement of changes in net assets and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes, and the [directors' / accounting officer's / accounting authority's] report, as set out on pages 8 to 60.

#### Responsibility of the Accounting Officer for the annual financial statements

The accounting officers is responsible for the preparation and fair presentation of these annual financial statements in accordance with [the applicable reporting framework/basis of accounting] [and in the manner required by the [Public Finance Management Act, 1999 (Act No. 1 of 1999) (PFMA)] [Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003) (MFMA)] [Auditor-General audit circular 1 of 2005] , and in the manner required by the Companies Act of South Africa [any applicable enabling legislation]. This responsibility includes:

- designing, implementing and maintaining internal control relevant to the preparation and fair presentation of annual financial statements that are free from material misstatement, whether due to fraud or error;
- selecting and applying appropriate accounting policies; and
- making accounting estimates that are reasonable in the circumstances.

#### Responsibility of the Auditor-General

As required by [section 188 of the Constitution of the Republic of South Africa, 1996 read with section 4 of the Public Audit Act, 2004 (Act No. 25 of 2004) (PAA)] [and section XX of any applicable legislation], my responsibility is to express an opinion on these annual financial statements based on my audit.

I conducted my audit in accordance with the International Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the annual financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the annual financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the annual financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

An audit also includes evaluating the:

- appropriateness of accounting policies used;
- reasonableness of accounting estimates made by management; and
- overall presentation of the financial statements.

Paragraph 11 et seq. of the Statement of Generally Recognised Accounting Practice, GRAP 1 Presentation of Financial Statements requires that financial reporting by entities shall provide information on whether resources were obtained and used in accordance with the legally adopted budget. As the budget reporting standard is still in the process of being developed, I have determined that my audit of any disclosures made by [name of entity] in this respect will be limited to reporting on non-compliance with this disclosure requirement.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

#### Opinion

In my opinion the annual financial statements present fairly, in all material respects, the financial position of Moses Kotane Local Municipality as at 30 June 2017 and its financial performance and cash flows for the year then ended, in accordance with [the applicable reporting framework/basis of accounting] [and in the manner required by the PFMA/MFMA (if the entity falls within the scope of the PFMA/MFMA) and Companies Act, 1973 (if the entity falls within the scope of the Companies Act) or section xx of the entity's enabling legislation (if the entity does not fall within the scope of the PFMA/MFMA)].

# Report of the Auditor General

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**Auditor General South Africa**

**30 November 2017**



# Moses Kotane Local Municipality

Annual Financial Statements for the year ended 30 June 2017

## Accounting Officer's Report

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The accounting officers submit their report for the year ended 30 June 2017.

### 1. Review of activities

#### Main business and operations

The municipality is engaged in local service delivery to the surrounding community of Moses Kotane and operates under the Bojanala Platinum District Municipality.

The operating results and state of affairs of the municipality are fully set out in the attached annual financial statements and do not in our opinion require any further comment.

### 2. Subsequent events

The accounting officers are not aware of any matter or circumstance arising since the end of the financial year.

### 3. Accounting policies

The annual financial statements prepared in accordance with the South African Statements of Generally Accepted Accounting Practice (GAAP), including any interpretations of such Statements issued by the Accounting Practices Board, and in accordance with the prescribed Standards of Generally Recognised Accounting Practices (GRAP) issued by the Accounting Standards Board as the prescribed framework by National Treasury.

### 4. Accounting Officer

The accounting officers of the municipality during the year and to the date of this report are as follows:

Name	Changes
Mr. V. Letsoalo	Appointed 02 August 2017
Ms L. O. Ndlovu (Acting)	Appointed 06 January 2017, (Acting contract expired 30 June 2017)
Mr T. Chiloane (Acting)	Appointed 01 July 2016, (Acting contract expired 30 December 2016)
Mr P. Shikwane (Acting)	Appointed 01 July 2016, (Acting contract ended, 28 November 2016)

### 5. Corporate governance

#### General

The accounting officer is committed to business integrity, transparency and professionalism in all its activities. As part of this commitment, the accounting officer supports the highest standards of corporate governance and the ongoing development of best practice.

The municipality confirms and acknowledges its responsibility to total compliance with the Code of Corporate Practices and Conduct ("the Code") laid out in the King Report on Corporate Governance for South Africa 2002. The accounting officer discuss the responsibilities of management in this respect, at Council meetings and monitor the municipality's compliance with the code on a three monthly basis.

The salient features of the municipality's adoption of the Code is outlined below:

#### Audit and risk committee

For the first 9 months of the current financial year the chairperson of the audit committee was Mr Makgale (non executive director) and for the remaining month it was Mr Mogotsi, who is an independent audit committee member. The committee met 3 times during the financial year to review matters necessary to fulfil its role.

### 6. Bankers

The primary bank used by the municipality during the financial period was ABSA Bank Limited.

# **Moses Kotane Local Municipality**

Annual Financial Statements for the year ended 30 June 2017

## **Accounting Officer's Report**

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### **7. Auditors**

Auditor General South Africa will continue in office as auditors for the next financial period.

# Report of the Chief Financial Officer

## 1. INTRODUCTION

It is with great pleasure to present the annual financial statements of Moses Kotane Local Municipality for the year ending 30 June 2017. These annual financial statements were prepared in full compliance with the provision of the generally recognized accounting principles which ensures comparability against prior years

## 2. Major concerns identified which impacted negatively on the municipal performance

- ☐ There was changes in political leadership due to the elections that took place in July 2016.
- ☐ The municipality experienced major instability with critical position such as:-
  - ✓ The Municipality's managers position
  - ✓ The Head of Revenue resigned resulting in poor collection rate, increase in debtors book and delay in follow up of the debtors
  - ✓ Supply chain staff being suspended leaving only three officials to run with the operation in the municipality
  - ✓ The Manager for store was also suspended resulted in notable shortages in Madikwe stores
  - ✓ The Salary Managers position was vacant throughout the year
  - ✓ There were also acting in different Directors position resulting in poor performance in the institution
- ☐ For the first time in the past five years the municipality reported a deficit in 2017 of about R13 Million after having reported a Healthy surplus in the prior year ending 2016 in the reported draft Annual financial statements
- ☐ The Municipality's cash has materially gone down
- ☐ New reform called MSCOA was introduced resulting in more pressure in the BTO due to tight deadline that the municipality had to comply with
- ☐ The term of the audit committee expired resulting in no report to council assisting council to play an oversight
- ☐ National treasury also withheld the R20 Million resulting in some of the programmes to be completed using the municipality's reserve

# Report of the Chief Financial Officer

## 3. Performance highlights

- ☐ Despite the poor collection the municipality pride itself for having honoured 99% of its creditors within 30 days upon receiving the invoice with exception of NWDC which is under litigation.
- ☐ All the financial related commitment were honoured.
- ☐ Prior audit exception in relation to finance was reduced by 64%.
- ☐ Section 71 and 72 reports were completed and submitted timeously in all reporting periods.
- ☐ The Adjustment Budget was completed and approved on time while all targets were met with the tabling and approval of the 2016-2017 Budget and MTREF. At this point in time all budget related reports and returns has been submitted to National Treasury while the Annual Financial Statements were completed and submitted to the Auditor-General on 31 August 2017.
- ☐ The municipality has secured the three stations (Tweelagte, Moruleng and Mogolwane) for traffic whereby motor vehicle licensing will be done thus additional revenue in future to the municipality

## 3. Our commitment

### Improve Financial Viability

Moses Kotane Local Municipality remains committed to prudent financial management by strengthening the balance sheet , tightening the credit control and debt management policies and continued improved revenue collection or enhancement strategies. This is evident to the fact that the municipality has accepted assistance by DBSA and Anglo American to cleanse the billing data, metering, assist with water conservation and demand management to reduce the water losses, and aligning billing information with the updated surveyor general information to increase the revenue base.

### Clean Audit Opinion

Despite the municipality having received an unqualified audit opinion in 2016/17, the municipality is

## **Report of the Chief Financial Officer**

committed to achieve a clean audit opinion by addressing the following issues:

- Compliance to SCM to reduce the unauthorized, irregular, fruitless and wasteful expenditure
- Capacitate the asset management unit to ensure a continuous update on the fixed asset register and testing the impairment on time.
- Capacitate the SCM unit with regard to contract management.
- Implement the system that will recognize all the creditors to avoid prior year payments/corrections each year.
- Improve internal relationships with water department to improve the metering internal controls and other trading related services department (i.e. town planning and housing), to ensure completeness in the billing database.
- Improve capacity around assets management
- Filling all the critical position By December 2017 and ensuring that the Municipality finalizes the appointment of the Accounting officer

### **Conclusion**

Despite challenges on the reported outcome, the municipality will still continue to operate in the 2017/18 financial year due to the fact that its major revenue comes from grants and the debts reflected as disclosed in the draft annual financial statements are collectible. In addition SARS delayed the settlement of its debt by 30 June 2017 which were subsequently received before the balance sheet date and that changed the cash and cash equivalent position of the municipality.

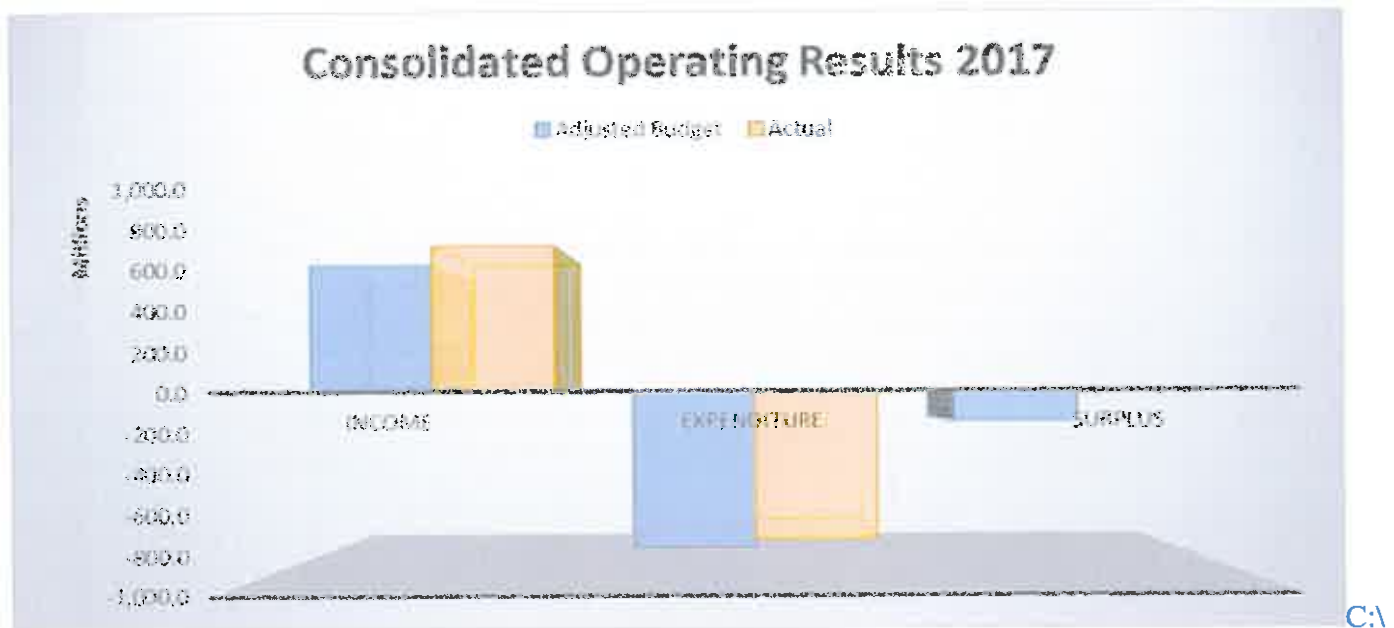
## **4. REVIEW OF OPERATING RESULTS**

### **4.1 Operating Results 2016/2017**

The municipality has suffered a major deficit of R13 Million for the first time in history after having reported a healthy surplus in 2015/16 of R123 Million

## Report of the Chief Financial Officer

Consolidated Operating Results 2016/2017						
Details	2017				2016	
	Adjusted Budget	Actual	Variance	% Change	Adjusted Budget	Actual
Income	695,166,398	805,701,008	-110,534,610	-16%	619,501,605	745,954,511
Expenditure	-863,993,187	-819,357,315	44,635,872	-5%	711,703,507	-622,657,628
Surplus	-168,826,789	-13,656,307	-182,483,096	108%	92,201,902	123,296,883



<Users\ONDlovu\Desktop\CFOs Report - Going concern 201617.xlsx>

### 5. OPERATING INCOME

The operating revenue has increased by R58.545 million which is as compared to the prior year operating revenue [2016- R660 610 138: 2017-]

## Report of the Chief Financial Officer

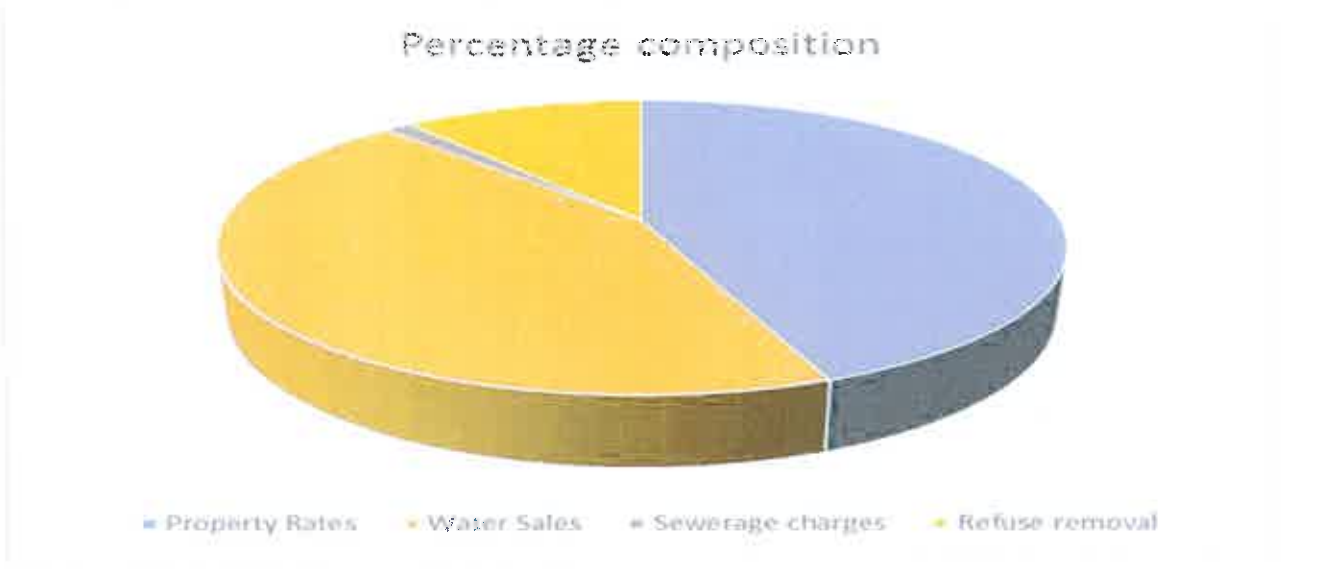
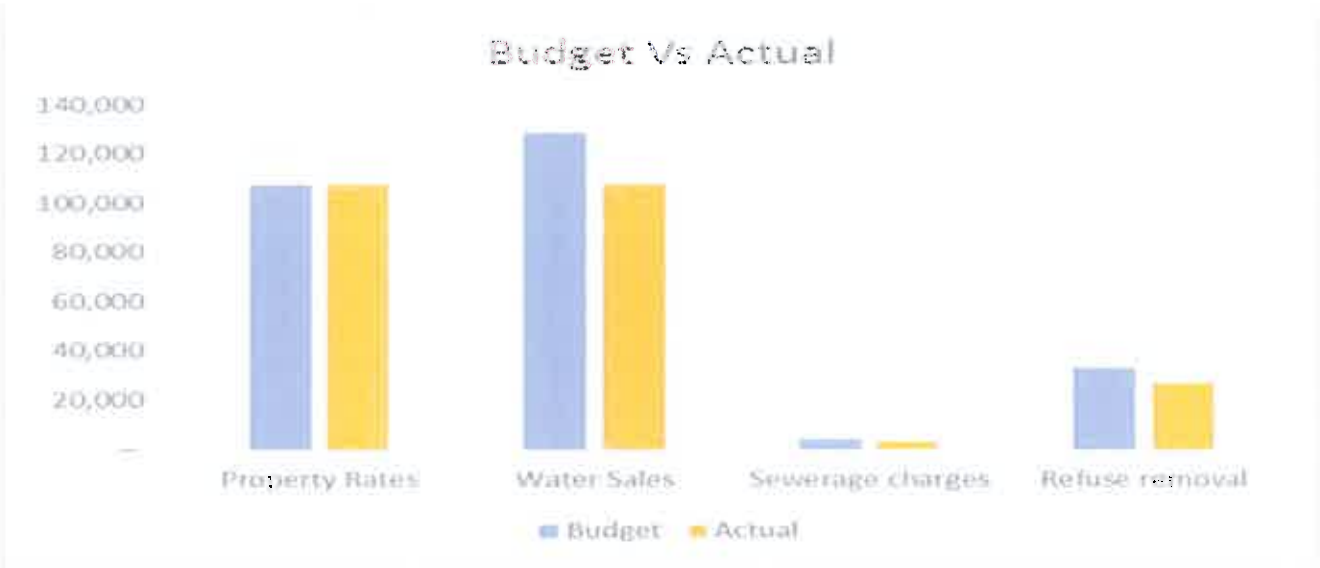
Out of the actual income of R661 million Government grants contribute 65.34%. This analysis clearly shows that the municipality is dependent on grants for its survival. This municipality contains 105 villages (deep rural) and two township which makes it difficult to collect the revenue.

The analysis below shows a remarkable improvement in terms of the capital grants spending, thus service delivery to our people. In addition the municipality managed to achieve its budget target on the revenue refer to item 6 below. Despite the improvement the municipality did not achieve its target on the traffic fines revenue due to the fact that the system was only purchased at year end.

INCOME	Budget	Actual	Variance		Percentage Composition	Actual
	2017	2017	2017			2016
	R	R	R	%		R
Property Rates	107,303,000	107,986,329	-683,329	-0.01	0.78	97,112,317
Water Sales	128,327,000	107,999,721	20,327,279	0.16	0.78	97,070,397
Sewerage charges	3,920,000	3,011,444	908,556	0.23	0.02	2,566,959
Refuse removal	32,843,000	26,765,419	6,077,581	0.19	0.19	27,582,911
Totals	272,393,000	245,762,913	26,630,087	0.10	1.00	127,220,267

The analysis below shows that the municipality performed badly in terms of the service charges it failed to meet the target by 10%. Despite the fact that the municipality did not meet the target by 10% it did not collect more than 50% of its revenue generated. If this trend continues the municipality will not be able to finance the composition of its operations in the 2017/2018 financial year unless the turnaround strategy is implemented.

# Report of the Chief Financial Officer

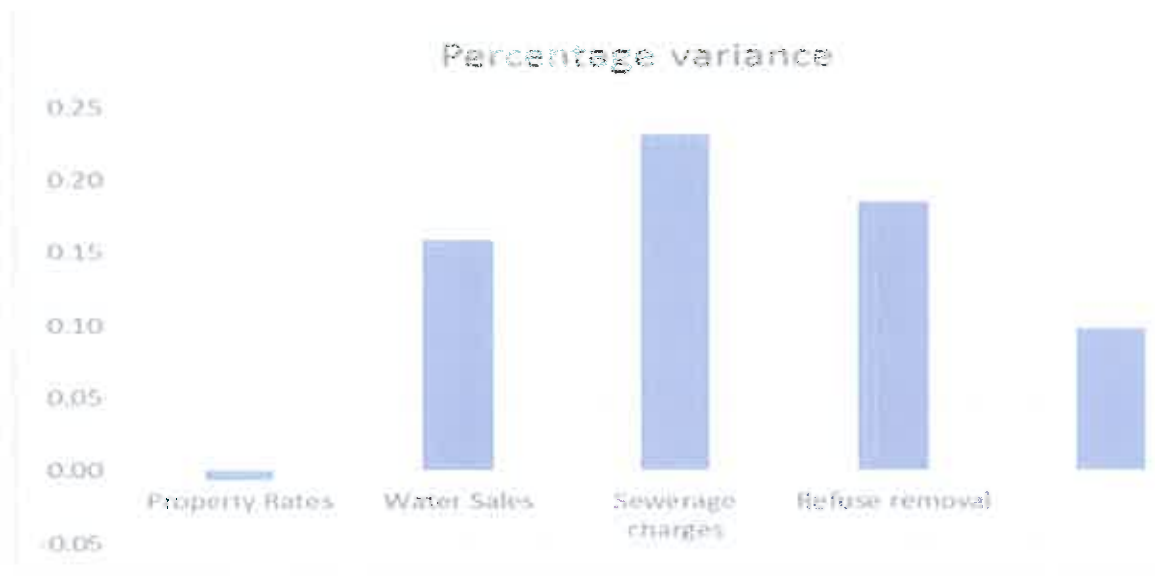


The graph below shows that Property rates is performing well as compared to other services. This is caused by the fact that most of the properties belong to the Government and they have been paying. Where the municipality is supposed to implement the credit control



## Report of the Chief Financial Officer

the performance variance is very high



### 6. USER LEVIED CHARGES:

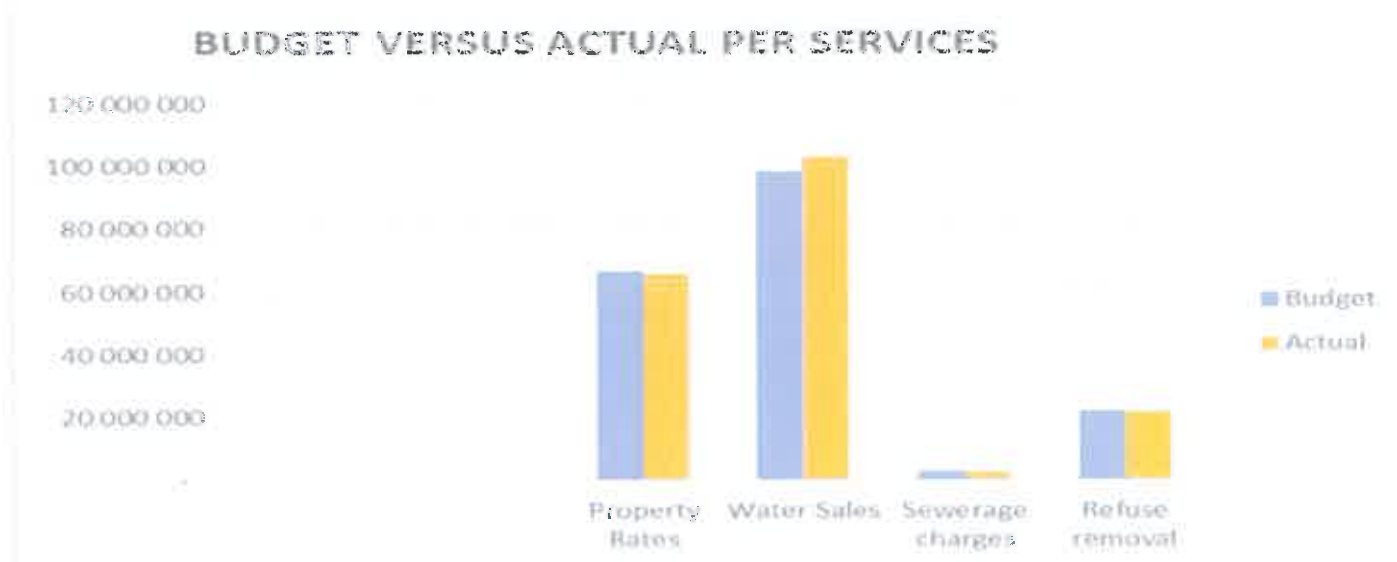
In the year under review the municipality failed to meet the target by 10%. COGTA is assisting the municipality in the revenue enhancement and the progress is still very low;-

The following must be done to cleanse the data

- Adjusting journals to correct mistakes with regard client type
- Meter information such as meter stuck , failing to read , or green were attended thus improvement in the billing
- If we continue with the implementation of the COGTA's recommendation on billing information will improved and anticipated revenue might be realized

## Report of the Chief Financial Officer

Description	Budget	Actual	Variance	Actual
	2017	2017		2016
	R	R	R	R
Property Rates	107,303,000	107,986,329	-683,329	97,112,317
Water Sales	128,327,000	107,999,721	20,327,279	97,070,397
Sewerage charges	3,920,000	3,011,444	908,556	2,566,959
Refuse removal	32,843,000	26,765,419	6,077,581	27,582,911
Totals	272,393,000	245,762,913	26,630,087	127,220,267



### 8. OPERATING EXPENDITURE 2016/2017

The following shows the expenditure per grouping versus amounts budgeted:

Description	2017	2017		2016	Year 0 Variance	
	Actual	Original Budget		Actual	Original Budget	Adjustments Budget
<b>Operating Cost</b>						
Personnel	155,129	191,559	161,115	166,406	-15.11%	3.18%
Remuneration of Councillors	20,794	24,509	22,159	21,736	-12.76%	-1.95%
Debt Impairment	81,824	73,622	87,309	133,516	44.66%	34.61%
Depreciation and Amortization	46,185	119,051	119,051	108,713	-9.51%	-9.51%

## Report of the Chief Financial Officer

Finance Costs	8,590	6,606	6,606	9,764	32.34%	32.34%
Bulk Purchases	63,210	60,000	71,500	74,354	19.31%	3.84%
Other Expenditure	246,309	359,783	396,253	302,499	-18.94%	-30.99%
<b>Total Expenditure</b>	<b>622,040,736</b>	<b>835,129,776</b>	<b>863,993,187</b>	<b>816,988,531</b>	<b>-15.11%</b>	<b>3.18%</b>

The above table is analyzed in the pie chart below which shows that the biggest expenditure of the municipality is under other expenditure



### 8.1 REMUNERATION vs. OPERATING EXPENDITURE

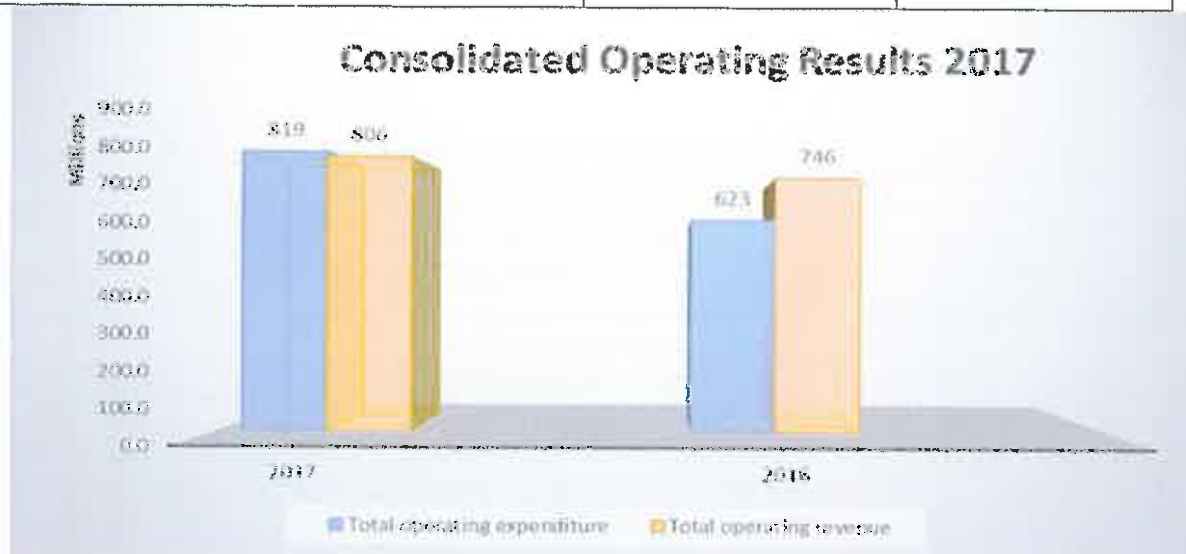
The expenditure of remuneration grown by the across the board increase effected on the employee's salary. This is due to the fact that about 95% of the vacancy could not be filled due the year under review resulting in decrease the growth percentage in remuneration.

The upper limits of salaries, allowances and benefits of different members of the council have been paid in terms of the remuneration of Public Bearers Act, 1988 (Act NO. 20 of 1998) as promulgated in the Government gazette issued later in 2016. The salaries of the employees of the council has been paid in terms of the stipulations as contained in the salary and wages collective agreement of the South African Local Government Bargaining council for the 2016/2017 financial year.

## Report of the Chief Financial Officer

See the illustration below on how the saving from remuneration has no impact in no

Description	2017	2016
	Municipality	Municipality
	R	R
Total operating expenditure	819,357,315	622,657,628
Total operating revenue	805,701,008	745,954,511
Employee remuneration	188,142,115	175,922,832
Ratio: % of total expenditure	23%	28%
Ratio: % of total revenue	23%	24%
% Growth in remuneration	7%	60%



### 9. GRANTS AND SUBSIDIES:

Description	2017	2016
	Municipality	Municipality
	R	R
Equitable share	333,265,000	322,570,000
Finance Management Grant	1,625,000	1,600,000
Expanded Public Works Programme	1,776,810	1,446,000
DWA Operation and Maintenance	4,720,677	12,500,000
Municipal Systems Improvement Grant (MSIG)	0	930,000
Provincial Infrastructure Grant	3,646,789	3,264,103
PIG		226,694

## Report of the Chief Financial Officer

Municipal Infrastructure Grant (MIG)	147,233,625	119,743,936
Library grant	447,496	952
<b>Total</b>	<b>492,715,397</b>	<b>463,233,033</b>

The variation in the actual amounts between the 2016/2017 and 2015/2016 financial years are due to the increase of the equitable share and the transfer of the Conditional Grants met to revenue.



## 10. MUNICIPAL DEBT & INVESTMENTS

### 10.1. Long Term Debt

Below is the movement of long term debtors at year-end

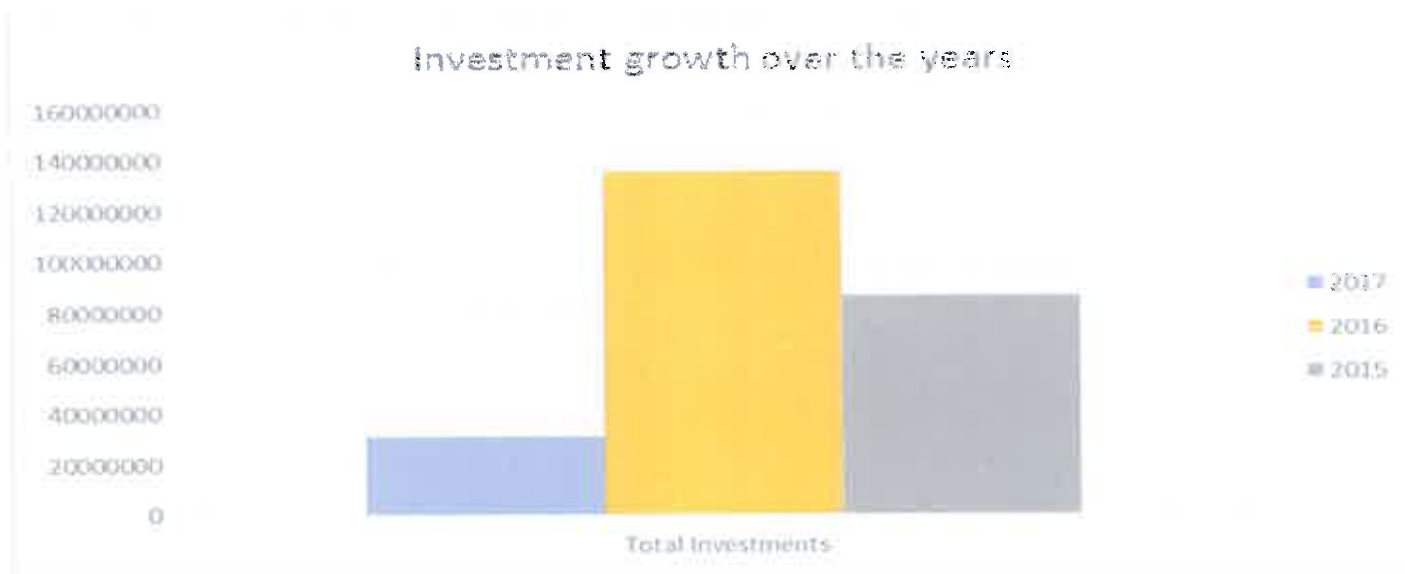
External Loans	2017	2016
	R	R
Long-term loans	44 806 011	53 818 653
<b>Finance lease obligation</b>	<b>44 806 011</b>	<b>53 818 653</b>
<b>Finance Lease Obligation (minimum lease payments)</b>	<b>1 533 386</b>	<b>1 533 386</b>

# Report of the Chief Financial Officer

## 10.2 Investments

	2017		2016	2015
INSTITUTION	R	R	R	R
Absa Rustenburg Branch	8,277,624	20,249,250	11,380,943	
Capital Replacement Reserve	907,667	10,279,104	27,450,737	
Housing Account	432,597	407,697	338,701	
Traffic Account	151,731	631,018	415,426	
MKLM Call Account	1,325,304	31,460,316	12,454,016	
MIG Call Account	18,830,448	40,222,095	28,816,714	
Ledig Reservoir-Water projects	581,208	5,341,389	5,120,462	
ABSA Fixed deposit	283,977	265,399	249,802	
Ned bank Fixed deposit	-	27,000,000	-	
Civic Centre call account	-	0	70,649	
Water and sanitation call account	-	0	194,725	
Housing subsidy Account	-	0	9,404	
<b>Total Investments</b>	<b>30,790,556</b>	<b>135,856,268</b>	<b>86,501,579</b>	

The graph below shows that the municipality reported a material decrease in cash threatening its ability to service a short term commitment disclosed in its payable from exchange transaction.



# Report of the Chief Financial Officer

## 11. CAPITAL EXPENDITURE AND FINANCING

As far as the capital expenditure is concerned, Council addressed the backlog in certain areas without neglecting the current assets. Backlogs in infrastructure were given a very high priority during the approval of the capital- and operating expenditure. In addition, the Council adhered to guidelines that National Treasury had set for capital expenditure while capital expenditure program was IDP driven.

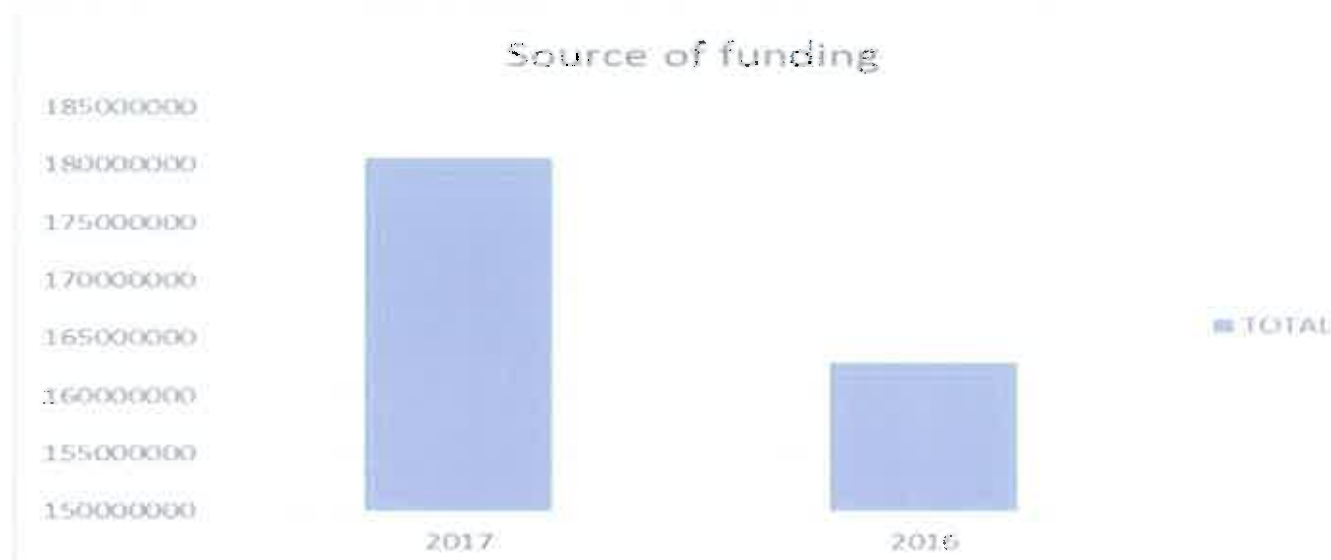
The table shows the distribution of the fixed assets according to the type of asset:

	Carrying Value	Carrying Value
Description	2017	2016
	R	R
Land and Buildings	40,131,690	53,727,656
Infrastructure	945,948,690	908,949,505
Community Assets	97,362,488	150,094,254
Heritage Assets	14,000	14,000
Other Assets	135,222,602	105,894,055
<b>Total</b>	<b>1,218,679,470</b>	<b>1,218,679,470</b>

The above-mentioned fixed assets were financed from the following sources:

Funding source	2017	2016	Variance	% Change
	R	R	R	
Absa Annuity Loan	8,589,225	9,951,426	-1,362,201	-14%
INCA Annuity Loan	17,689,987	21,416,206	-3,726,219	-17%
DBSA Annuity Loan	27,341,445	30,317,324	-2,975,879	-10%
Finance Lease Obligation (minimum lease payments)	1,532,386	6,299,451	-4,767,065	
Unspent Conditional Grants	13,004,969	14,675,052	-1,670,083	-11%
Payables from Exchange Transactions	112,413,819	80,228,745	32,185,074	40%
<b>Total</b>	<b>180,571,831</b>	<b>162,888,204</b>	<b>17,683,627</b>	

## Report of the Chief Financial Officer



### Key Financial Ratios

The analysis below shows that the current ratio and the quick/acid test ratio of the municipality is above 1 which raises a concern on the working capital. The debt equity ratio is still controllable, however the municipality has poses a risk of poor collection that might affect the honoring of debts should need arises

Type	2017	2016
Cash and cash equivalents	30,981,594	135,276,642
Current ratio	2.35	3.35
Quick ratio	2.29	3.27
<b>Gearing ratios</b>		
Debt/Equity	101%	89%
Debt Ratio (Liabilities/Assets)	16%	15%

Type	2017	2016	Variance (R)	Variance
	Municipality R	Municipality R	Group R	Group (%)
Current assets	318,919,021	368,114,227	-49,195,206	-13%



## Report of the Chief Financial Officer

Non-current assets	1,274,265,814	1,218,679,470	55,586,344	5%
<b>Total Assets</b>	<b>1,593,184,835</b>	<b>1,586,793,697</b>	<b>6,391,138</b>	<b>0%</b>
Current liabilities	135,574,104	109,847,370	25,726,734	23%
Non-current liabilities	88,965,171	93,098,384	-4,133,213	-4%
<b>Total liabilities</b>	<b>224,539,275</b>	<b>202,945,754</b>	<b>21,593,521</b>	<b>11%</b>
<b>Net Assets</b>	<b>1,368,645,560</b>	<b>1,383,847,943</b>	<b>-15,202,383</b>	<b>-1%</b>

Financial Statistics	2017	2016
	Municipality	Municipality
Current asset ratio	2.35	3.35
Quick ratio	2.29	3.27
Total long-term debt to total revenue*	0.11	0.12
Inventory turnover	72	58
Repairs & maintenance to annual operating revenue	7%	6%
Net debtors to total annual operating revenue	25%	26%

## 12. INVESTMENTS

External investments on 30 June 2017 amounted to R30 790 556 as compared to R135 856 268 for 2015/2016. There is a material decrease in the municipal reserves not even enough to cater for the payables from exchange reflected in the annual financial statements.

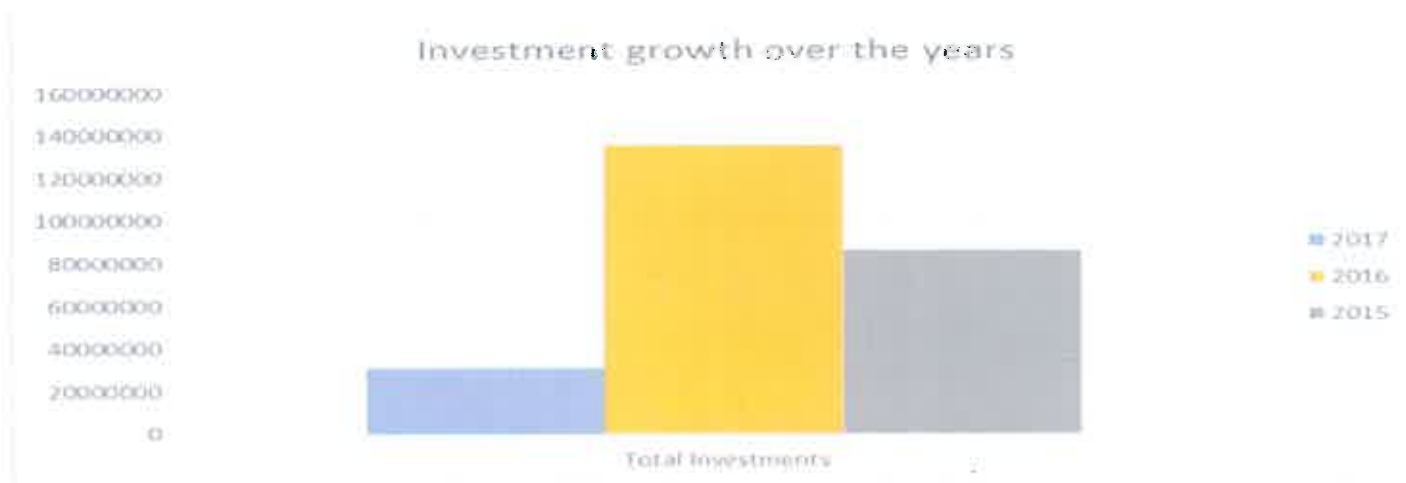
### Investments & Bank Accounts

	2017	2016	2015
	R	R	R
<b>INSTITUTION</b>			
Absa Rustenburg Branch	8,277,624	20,249,250	11,380,943
Capital Replacement Reserve	907,667	10,279,104	27,450,737
Housing Account	432,597	407,697	338,701
Traffic Account	151,731	631,018	415,426

## Report of the Chief Financial Officer

MKLM Call Account	1,325,304	31,460,316	12,454,016
MIG Call Account	18,830,448	40,222,095	28,816,714
Ledig Reservoir-Water projects	581,208	5,341,389	5,120,462
ABSA Fixed deposit	283,977	265,399	249,802
Nedbank Fixed deposit	-	27,000,000	-
Civic centre call account	-	0	70,649
Water and sanitation call account	-	0	194,725
Housing subsidy Account	-	0	9,404
<b>Total Investments</b>	<b>30,790,556</b>	<b>135,856,268</b>	<b>86,501,579</b>

Investment Trends over the years.



### 13. HOUSING

The council is acting as an agent for the Northwest Province for the building of RDP houses. The property on which the houses are built belongs to the Traditional Authorities in that area and not to the council. The houses will also be registered in the name of the beneficiary whom is receiving a subsidy from Provincial Government.

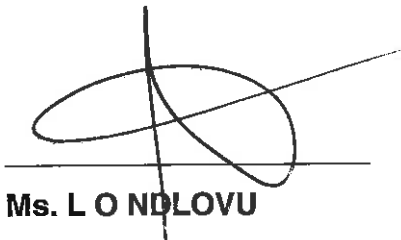
The money received from the Northwest Province is paid into a separate bank account from where the suppliers are being paid.

# **Report of the Chief Financial Officer**

## **14. EXPRESSION OF APPRECIATION**

I am grateful to the Mayor, the Executive Committee, Municipal Manager, Councilors and Departmental Managers for the support they have given to the department during the 2017/2017 financial year.

A special word of appreciation is extended to the team of the Budget and Treasury Office for the months of hard work, sacrifices and dedicated efforts during the financial year to enable us to finalize these financial statements. A special word of thanks to the HOU's: Expenditure and Revenue and SCM for their dedication and countless days and nights spent to achieve the goals. To the Managers that came in after hours to help with the final reconciliations please accept our appreciation.

A handwritten signature in black ink, consisting of a large, stylized loop with a vertical line through it, positioned above a horizontal line.

**Ms. L O NDLOVU**

**Chief Financial Officer**

**Moses Kotane Local Municipality**

**31 August 2017**

# Moses Kotane Local Municipality

Annual Financial Statements for the year ended 30 June 2017

## Statement of Financial Position as at 30 June 2017

Figures in Rand	Note(s)	2017	2016 Restated*
<b>Assets</b>			
<b>Current Assets</b>			
Inventory	5	7 823 028	8 370 343
Receivables from exchange transactions	6	1 647 133	2 156 860
Receivables from non-exchange transactions	7	12 602 199	12 969 203
VAT receivable	8	62 134 028	14 633 254
Prepayments		522 576	-
Consumer debtors	9	203 208 463	194 707 925
Cash and cash equivalents	10	30 981 594	135 276 642
		<b>318 919 021</b>	<b>368 114 227</b>
<b>Non-Current Assets</b>			
Property, plant and equipment	3	1 274 251 814	1 218 665 470
Heritage assets	4	14 000	14 000
		<b>1 274 265 814</b>	<b>1 218 679 470</b>
<b>Total Assets</b>		<b>1 593 184 835</b>	<b>1 586 793 697</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Other financial liabilities	13	8 814 647	7 866 303
Finance lease obligation	11	(1 000)	4 766 065
Payables from exchange transactions	15	112 413 819	80 228 745
Unspent conditional grants and receipts	12	13 004 969	14 675 052
Provisions	14	11 855 299	2 311 205
		<b>146 087 734</b>	<b>109 847 370</b>
<b>Non-Current Liabilities</b>			
Other financial liabilities	13	44 806 011	53 818 653
Finance lease obligation	11	1 533 386	1 533 386
Provisions	14	32 112 144	37 746 345
		<b>78 451 541</b>	<b>93 098 384</b>
<b>Total Liabilities</b>		<b>224 539 275</b>	<b>202 945 754</b>
<b>Net Assets</b>		<b>1 368 645 560</b>	<b>1 383 847 943</b>
Accumulated surplus		<b>1 368 645 560</b>	<b>1 383 847 943</b>

\* See Note 34

# Moses Kotane Local Municipality

Annual Financial Statements for the year ended 30 June 2017

## Statement of Financial Performance for the year ended 30 June 2017

Figures in Rand	Note(s)	2017	2016 Restated*
<b>Revenue</b>			
<b>Revenue from exchange transactions</b>			
Service charges	17	137 776 585	127 220 267
Commissions received		150 758	121 027
Rental income		11 193	26 196
Sale of land / Stands		268 158	9 000
Other income		1 193 436	1 382 784
Interest received - investment	19	59 950 252	52 207 237
<b>Total revenue from exchange transactions</b>		<b>199 350 382</b>	<b>180 966 511</b>
<b>Revenue from non-exchange transactions</b>			
<b>Taxation revenue</b>			
Property rates	20	107 986 329	97 112 317
<b>Transfer revenue</b>			
Government grants & subsidies	21	492 715 397	463 233 033
Fines, Penalties and Forfeits		5 648 900	4 642 650
<b>Total revenue from non-exchange transactions</b>		<b>606 350 626</b>	<b>564 988 000</b>
<b>Total revenue</b>	16	<b>805 701 008</b>	<b>745 954 511</b>
<b>Expenditure</b>			
Employee related costs	22	(166 406 303)	(155 128 884)
Remuneration of councillors	23	(21 735 812)	(20 793 948)
Contribution to provisions	24	(957 737)	(2 311 205)
Depreciation and amortisation	25	(108 713 281)	(46 184 542)
Finance costs	26	(9 763 783)	(8 590 181)
Debt Impairment	27	(133 516 136)	(81 824 437)
Repairs and maintenance		(54 373 082)	(45 544 131)
Bulk purchases	28	(74 354 276)	(63 209 595)
Contracted services	29	(38 351 582)	(32 623 323)
Ward committees		(4 612 716)	(2 888 035)
General expenses	30	(204 203 823)	(162 942 455)
<b>Total expenditure</b>		<b>(816 988 531)</b>	<b>(622 040 736)</b>
<b>Operating (deficit) surplus</b>		<b>(11 287 523)</b>	<b>123 913 775</b>
Loss on disposal of assets and liabilities		(3 035 017)	(616 892)
Fair value adjustments		396 233	-
		<b>(2 638 784)</b>	<b>(616 892)</b>
<b>(Deficit) surplus for the year</b>		<b>(13 926 307)</b>	<b>123 296 883</b>

\* See Note 34

# Moses Kotane Local Municipality

Annual Financial Statements for the year ended 30 June 2017

## Statement of Changes in Net Assets for the year ended 30 June 2017

Figures in Rand	Accumulated surplus	Total net assets
<b>Balance at 01 July 2015</b>	<b>1 260 551 060</b>	<b>1 260 551 060</b>
Changes in net assets		
Surplus for the year	123 296 883	123 296 883
Total changes	123 296 883	123 296 883
<b>Restated* Balance at 01 July 2016</b>	<b>1 382 571 868</b>	<b>1 382 571 868</b>
Changes in net assets		
Surplus for the year	(13 926 308)	(13 926 308)
Total changes	(13 926 308)	(13 926 308)
<b>Balance at 30 June 2017</b>	<b>1 368 645 560</b>	<b>1 368 645 560</b>
Note(s)		

\* See Note 34

# Moses Kotane Local Municipality

Annual Financial Statements for the year ended 30 June 2017

## Cash Flow Statement

Figures in Rand	Note(s)	2017	2016 Restated*
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Revenue from exchange transactions		114 218 713	128 759 274
Revenue from non-exchange transactions		115 110 779	101 754 967
Grants		470 964 860	463 233 033
Interest income		59 950 252	52 207 236
		<u>760 244 604</u>	<u>745 954 510</u>
<b>Payments</b>			
Employee costs		(185 023 037)	(175 922 832)
Suppliers		(480 385 290)	(249 138 507)
Finance costs		(9 763 783)	(8 590 181)
		<u>(675 172 110)</u>	<u>(433 651 520)</u>
<b>Net cash flows from operating activities</b>	31	<u><b>85 072 494</b></u>	<u><b>312 302 990</b></u>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	3	(53 190 548)	(287 010 889)
Proceeds from sale of property, plant and equipment	3	160 440 689	10 265 942
Acquisition of financial assets		(284 182 554)	26 444 770
		<u>(176 932 413)</u>	<u>(250 300 177)</u>
<b>Net cash flows from investing activities</b>		<u><b>(176 932 413)</b></u>	<u><b>(250 300 177)</b></u>
<b>Cash flows from financing activities</b>			
Repayment of other financial liabilities		(7 668 065)	(8 102 469)
Finance lease payments		(4 767 065)	(4 107 165)
		<u>(12 435 130)</u>	<u>(12 209 634)</u>
<b>Net cash flows from financing activities</b>		<u><b>(12 435 130)</b></u>	<u><b>(12 209 634)</b></u>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<u><b>(104 295 049)</b></u>	<u><b>49 793 179</b></u>
Cash and cash equivalents at the beginning of the year		135 276 643	85 483 463
<b>Cash and cash equivalents at the end of the year</b>	10	<u><b>30 981 594</b></u>	<u><b>135 276 642</b></u>

\* See Note 34

# Moses Kotane Local Municipality

Annual Financial Statements for the year ended 30 June 2017

## Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

Figures in Rand	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual
<b>Statement of Financial Performance</b>					
<b>Revenue</b>					
<b>Revenue from exchange transactions</b>					
Service charges	160 288 452	4 801 500	165 089 952	137 776 585	(27 313 367) 2.9%
Commissions received	70 000	70 000	140 000	150 758	10 758 7%
Rental income	-	11 200	11 200	11 193	(7) 0.06%
Sale of land	-	6 000	6 000	268 158	262 158 100%
Other income	439 600	623 020	2 062 620	1 193 436	(869 184) 38.9%
Interest current bank account	9 500 000	84 780	9 584 780	9 221 986	(362 794) 3%
Interest received - debtors	34 000 000	15 500 000	49 500 000	50 370 942	870 942 13.6%
<b>Total revenue from exchange transactions</b>	<b>205 298 052</b>	<b>21 096 500</b>	<b>226 394 552</b>	<b>198 993 058</b>	<b>(27 401 494)</b>
<b>Revenue from non-exchange transactions</b>					
<b>Taxation revenue</b>					
Property rates	91 273 959	16 029 500	107 303 459	107 986 329	682 870 4.2%
<b>Transfer revenue</b>					
Government grants & subsidies	354 468 387	-	354 468 387	492 715 397	138 247 010 32.8%
Fines, Penalties and Forfeits	3 000 000	4 000 000	7 000 000	5 648 900	(1 351 100) 1.8%
<b>Total revenue from non-exchange transactions</b>	<b>448 742 346</b>	<b>20 029 500</b>	<b>468 771 846</b>	<b>606 350 626</b>	<b>137 578 780</b>
<b>Total revenue</b>	<b>654 040 398</b>	<b>41 126 000</b>	<b>695 166 398</b>	<b>805 343 684</b>	<b>110 177 286</b>
<b>Expenditure</b>					
Personnel	(191 558 560)	30 443 719	(161 114 841)	(166 406 303)	(5 291 462) 1.7%
Remuneration of councillors	(24 508 632)	2 350 000	(22 158 632)	(21 735 812)	422 820 1.9%
Contribution to provisions	(77 588 420)	(6 000 000)	(83 588 420)	(80 959 104)	2 629 316 3.1%
Depreciation and amortisation	(119 050 748)	-	(119 050 748)	(108 713 281)	10 337 467 0.001%
Finance costs	(6 606 408)	-	(6 606 408)	(9 763 783)	(3 157 375) 8.28%



**Moses Kotane Local Municipality**  
Annual Financial Statements for the year ended 30 June 2017

**Statement of Comparison of Budget and Actual Amounts**

Budget on Cash Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	
<b>Figures in Rand</b>						
Bad debts written off	(73 622 220)	(13 687 000)	(87 309 220)	(133 516 136)	(46 206 916)	9%
Repairs and maintenance	(56 127 222)	2 150 000	(53 977 222)	(54 373 082)	(395 860)	16.9%
Bulk purchases	(60 000 000)	(11 500 000)	(71 500 000)	(74 354 276)	(2 854 276)	0.001%
Contracted Services	(37 700 000)	(170 000)	(37 870 000)	(38 351 582)	(481 582)	0.03%
Transfers and Subsidies	(5 641 620)	580 000	(5 061 620)	(4 612 716)	448 904	8.9%
General Expenses	(182 725 946)	(33 030 130)	(215 756 076)	(172 183 997)	43 572 079	20.1%
<b>Total expenditure</b>	<b>(835 129 776)</b>	<b>(28 863 411)</b>	<b>(863 993 187)</b>	<b>(864 970 072)</b>	<b>(976 885)</b>	
<b>Operating deficit</b>	<b>(181 089 378)</b>	<b>12 262 589</b>	<b>(168 826 789)</b>	<b>(59 626 388)</b>	<b>109 200 401</b>	
Loss on disposal of assets and liabilities	-	-	-	(3 035 017)	(3 035 017)	
Fair value adjustments	-	-	-	396 233	396 233	
	-	-	-	(2 638 784)	(2 638 784)	
<b>Deficit before taxation</b>	<b>(181 089 378)</b>	<b>12 262 589</b>	<b>(168 826 789)</b>	<b>(62 265 172)</b>	<b>106 561 617</b>	
<b>Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement</b>	<b>(181 089 378)</b>	<b>12 262 589</b>	<b>(168 826 789)</b>	<b>(62 265 172)</b>	<b>106 561 617</b>	

# Moses Kotane Local Municipality

Annual Financial Statements for the year ended 30 June 2017

## Accounting Policies

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### 1. Presentation of Annual Financial Statements

The annual financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP), issued by the Accounting Standards Board in accordance with Section 122(3) of the Municipal Finance Management Act (Act 56 of 2003).

These annual financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention as the basis of measurement, unless specified otherwise. They are presented in South African Rand.

A summary of the significant accounting policies, which have been consistently applied in the preparation of these annual financial statements, are disclosed below.

These accounting policies are consistent with the previous period.

#### 1.1 Presentation currency

These annual financial statements are presented in South African Rand, which is the functional currency of the municipality.

#### 1.2 Going concern assumption

These annual financial statements have been prepared based on the expectation that the municipality will continue to operate as a going concern for at least the next 12 months.

#### 1.3 Significant judgements and sources of estimation uncertainty

In preparing the annual financial statements, management is required to make estimates and assumptions that affect the amounts represented in the annual financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the annual financial statements. Significant judgements include:

##### Trade receivables / Held to maturity investments and/or loans and receivables

The municipality assesses its trade receivables, held to maturity investments and loans and receivables for impairment at the end of each reporting period. In determining whether an impairment loss should be recorded in surplus or deficit, the surplus makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset.

The impairment for trade receivables, held to maturity investments and loans and receivables is calculated on a portfolio basis, based on historical loss ratios, adjusted for national and industry-specific economic conditions and other indicators present at the reporting date that correlate with defaults on the portfolio. These annual loss ratios are applied to loan balances in the portfolio and scaled to the estimated loss emergence period.

##### Impairment testing

The recoverable amounts of cash-generating units and individual assets have been determined based on the higher of value-in-use calculations and fair values less costs to sell. These calculations require the use of estimates and assumptions. It is reasonably possible that the [name a key assumption] assumption may change which may then impact our estimations and may then require a material adjustment to the carrying value of goodwill and tangible assets.

The municipality reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. In addition, goodwill is tested on an annual basis for impairment. Assets are grouped at the lowest level for which identifiable cash flows are largely independent of cash flows of other assets and liabilities. If there are indications that impairment may have occurred, estimates are prepared of expected future cash flows for each group of assets. Expected future cash flows used to determine the value in use of goodwill and tangible assets are inherently uncertain and could materially change over time. They are significantly affected by a number of factors including [list entity specific variables, i.e. production estimates, supply demand], together with economic factors such as [list economic factors such as exchange rates inflation interest].

##### Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions are included in note 14 - Provisions.

# Moses Kotane Local Municipality

Annual Financial Statements for the year ended 30 June 2017

## Accounting Policies

---

### 1.3 Significant judgements and sources of estimation uncertainty (continued)

#### Useful lives of waste and water network and other assets

The municipality's management determines the estimated useful lives and related depreciation charges for the waste water and water networks. This estimate is based on industry norm. Management will increase the depreciation charge where useful lives are less than previously estimated useful lives.

#### Post retirement benefits

The present value of the post retirement obligation depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) include the discount rate. Any changes in these assumptions will impact on the carrying amount of post retirement obligations.

The municipality determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the pension obligations. In determining the appropriate discount rate, the municipality considers the interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related pension liability.

#### Allowance for doubtful debts

On debtors an impairment loss is recognised in surplus and deficit when there is objective evidence that it is impaired. The impairment is measured as the difference between the debtors carrying amount and the recoverable amount.

#### Value Added Tax

The municipality is registered for VAT on the payment basis. Revenue, expenses and assets are recognised net of the amount of value added tax. The net amount of the value added tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

### 1.4 Investment property

Investment property is property (land or a building - or part of a building - or both) held to earn rentals or for capital appreciation or both, rather than for:

- use in the production or supply of goods or services or for
- administrative purposes, or
- sale in the ordinary course of operations.

Owner-occupied property is property held for use in the production or supply of goods or services or for administrative purposes.

Investment property is recognised as an asset when, it is probable that the future economic benefits or service potential that are associated with the investment property will flow to the municipality, and the cost or fair value of the investment property can be measured reliably.

Investment property is initially recognised at cost. Transaction costs are included in the initial measurement.

Where investment property is acquired through a non-exchange transaction, its cost is its fair value as at the date of acquisition.

Costs include costs incurred initially and costs incurred subsequently to add to, or to replace a part of, or service a property. If a replacement part is recognised in the carrying amount of the investment property, the carrying amount of the replaced part is derecognised.

Compensation from third parties for investment property that was impaired, lost or given up is recognised in surplus or deficit when the compensation becomes receivable.

### 1.5 Property, plant and equipment

Property, plant and equipment are tangible non-current assets (including infrastructure assets) that are held for use in the production or supply of goods or services, rental to others, or for administrative purposes, and are expected to be used during more than one period.

# Moses Kotane Local Municipality

Annual Financial Statements for the year ended 30 June 2017

## Accounting Policies

### 1.5 Property, plant and equipment (continued)

The cost of an item of property, plant and equipment is recognised as an asset when:

- it is probable that future economic benefits or service potential associated with the item will flow to the municipality; and
- the cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost.

The cost of an item of property, plant and equipment is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Trade discounts and rebates are deducted in arriving at the cost.

Where an asset is acquired through a non-exchange transaction, its cost is its fair value as at date of acquisition.

Where an item of property, plant and equipment is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired item's fair value was not determinable, its deemed cost is the carrying amount of the asset(s) given up.

When significant components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located is also included in the cost of property, plant and equipment, where the entity is obligated to incur such expenditure, and where the obligation arises as a result of acquiring the asset or using it for purposes other than the production of inventories.

Recognition of costs in the carrying amount of an item of property, plant and equipment ceases when the item is in the location and condition necessary for it to be capable of operating in the manner intended by management.

Major spare parts and stand by equipment which are expected to be used for more than one period are included in property, plant and equipment. In addition, spare parts and stand by equipment which can only be used in connection with an item of property, plant and equipment are accounted for as property, plant and equipment.

Major inspection costs which are a condition of continuing use of an item of property, plant and equipment and which meet the recognition criteria above are included as a replacement in the cost of the item of property, plant and equipment. Any remaining inspection costs from the previous inspection are derecognised.

Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses.

The revaluation surplus in equity related to a specific item of property, plant and equipment is transferred directly to retained earnings as the asset is used. The amount transferred is equal to the difference between depreciation based on the revalued carrying amount and depreciation based on the original cost of the asset.

Property, plant and equipment are depreciated on the over their expected useful lives to their estimated residual value.

Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses.

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Depreciation method	Average useful life
Land	Straight line	Infinite
Buildings	Straight line	30 years
Infrastructure - Electricity	Straight line	20 - 30 years
Infrastructure - Roads	Straight line	10 - 50 years
Infrastructure - Water	Straight line	15 - 20 years
Infrastructure - Gas	Straight line	20 years
Infrastructure - Sewerage	Straight line	15 - 20 years
Infrastructure - Pedestrian malls	Straight line	20 years

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### 1.5 Property, plant and equipment (continued)

Infrastructure - Airports	Straight line	20 years
Access control security measures	Straight line	3 - 5 years
Recreation facilities	Straight line	20 -25 years

The residual value, and the useful life and depreciation method of each asset are reviewed at the end of each reporting date. If the expectations differ from previous estimates, the change is accounted for as a change in accounting estimate.

Reviewing the useful life of an asset on an annual basis does not require the entity to amend the previous estimate unless expectations differ from the previous estimate.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

The depreciation charge for each period is recognised in surplus or deficit unless it is included in the carrying amount of another asset.

Items of property, plant and equipment are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset.

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in surplus or deficit when the item is derecognised. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

Assets which the municipality holds for rentals to others and subsequently routinely sell as part of the ordinary course of activities, are transferred to inventories when the rentals end and the assets are available-for-sale. Proceeds from sales of these assets are recognised as revenue. All cash flows on these assets are included in cash flows from operating activities in the cash flow statement.

### 1.6 Intangible assets

An asset is identifiable if it either:

- is separable, i.e. is capable of being separated or divided from an entity and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, identifiable assets or liability, regardless of whether the entity intends to do so; or
- arises from binding arrangements (including rights from contracts), regardless of whether those rights are transferable or separable from the municipality or from other rights and obligations.

A binding arrangement describes an arrangement that confers similar rights and obligations on the parties to it as if it were in the form of a contract.

An intangible asset is recognised when:

- it is probable that the expected future economic benefits or service potential that are attributable to the asset will flow to the municipality; and
- the cost or fair value of the asset can be measured reliably.

The municipality assesses the probability of expected future economic benefits or service potential using reasonable and supportable assumptions that represent management's best estimate of the set of economic conditions that will exist over the useful life of the asset.

Where an intangible asset is acquired through a non-exchange transaction, its initial cost at the date of acquisition is measured at its fair value as at that date.

Expenditure on research (or on the research phase of an internal project) is recognised as an expense when it is incurred.

An intangible asset is regarded as having an indefinite useful life when, based on all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows or service potential. Amortisation is not provided for these intangible assets, but they are tested for impairment annually and whenever there is an indication that the asset may be impaired. For all other intangible assets amortisation is provided on a straight line basis over their useful life.

The amortisation period and the amortisation method for intangible assets are reviewed at each reporting date.

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### 1.6 Intangible assets (continued)

Reassessing the useful life of an intangible asset with a finite useful life after it was classified as indefinite is an indicator that the asset may be impaired. As a result the asset is tested for impairment and the remaining carrying amount is amortised over its useful life.

Internally generated brands, mastheads, publishing titles, customer lists and items similar in substance are not recognised as intangible assets.

Internally generated goodwill is not recognised as an intangible asset.

Amortisation is provided to write down the intangible assets, on a straight line basis, to their residual values as follows:

Item	Useful life
Computer software, other	3 years

### 1.7 Heritage assets

Assets are resources controlled by an municipality as a result of past events and from which future economic benefits or service potential are expected to flow to the municipality.

Carrying amount is the amount at which an asset is recognised after deducting accumulated impairment losses.

Class of heritage assets means a grouping of heritage assets of a similar nature or function in an municipality's operations that is shown as a single item for the purpose of disclosure in the annual financial statements.

Cost is the amount of cash or cash equivalents paid or the fair value of the other consideration given to acquire an asset at the time of its acquisition or construction or, where applicable, the amount attributed to that asset when initially recognised in accordance with the specific requirements of other Standards of GRAP.

Depreciation is the systematic allocation of the depreciable amount of an asset over its useful life.

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Heritage assets are assets that have a cultural, environmental, historical, natural, scientific, technological or artistic significance and are held indefinitely for the benefit of present and future generations.

An impairment loss of a cash-generating asset is the amount by which the carrying amount of an asset exceeds its recoverable amount.

An impairment loss of a non-cash-generating asset is the amount by which the carrying amount of an asset exceeds its recoverable service amount.

An inalienable item is an asset that an municipality is required by law or otherwise to retain indefinitely and cannot be disposed of without consent.

Recoverable amount is the higher of a cash-generating asset's net selling price and its value in use.

Recoverable service amount is the higher of a non-cash-generating asset's fair value less costs to sell and its value in use.

Value in use of a cash-generating asset is the present value of the future cash flows expected to be derived from an asset or cash-generating unit.

Value in use of a non-cash-generating asset is the present value of the asset's remaining service potential.

### Recognition

The municipality recognises a heritage asset as an asset if it is probable that future economic benefits or service potential associated with the asset will flow to the municipality, and the cost or fair value of the asset can be measured reliably.

# Moses Kotane Local Municipality

Annual Financial Statements for the year ended 30 June 2017

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### 1.7 Heritage assets (continued)

#### Initial measurement

Heritage assets are measured at cost.

Where a heritage asset is acquired through a non-exchange transaction, its cost is measured at its fair value as at the date of acquisition.

#### Subsequent measurement

After recognition as an asset, a class of heritage assets is carried at its cost less any accumulated impairment losses.

After recognition as an asset, a class of heritage assets, whose fair value can be measured reliably, is carried at a revalued amount, being its fair value at the date of the revaluation less any subsequent impairment losses.

If a heritage asset's carrying amount is increased as a result of a revaluation, the increase is credited directly to a revaluation surplus. However, the increase is recognised in surplus or deficit to the extent that it reverses a revaluation decrease of the same heritage asset previously recognised in surplus or deficit.

If a heritage asset's carrying amount is decreased as a result of a revaluation, the decrease is recognised in surplus or deficit. However, the decrease is debited directly to a revaluation surplus to the extent of any credit balance existing in the revaluation surplus in respect of that heritage asset.

#### Impairment

The municipality assess at each reporting date whether there is an indication that it may be impaired. If any such indication exists, the municipality estimates the recoverable amount or the recoverable service amount of the heritage asset.

### 1.8 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or a residual interest of another entity.

The amortised cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured at initial recognition minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, and minus any reduction (directly or through the use of an allowance account) for impairment or uncollectibility.

A financial asset is:

- cash;
- a residual interest of another entity; or
- a contractual right to:
  - receive cash or another financial asset from another entity; or
  - exchange financial assets or financial liabilities with another entity under conditions that are potentially favourable to the entity.

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

A financial liability is any liability that is a contractual obligation to:

- deliver cash or another financial asset to another entity; or
- exchange financial assets or financial liabilities under conditions that are potentially unfavourable to the entity.

A residual interest is any contract that manifests an interest in the assets of an entity after deducting all of its liabilities. A residual interest includes contributions from owners, which may be shown as:

- equity instruments or similar forms of unitised capital;
- a formal designation of a transfer of resources (or a class of such transfers) by the parties to the transaction as forming part of an entity's net assets, either before the contribution occurs or at the time of the contribution; or
- a formal agreement, in relation to the contribution, establishing or increasing an existing financial interest in the net assets of an entity.

# Moses Kotane Local Municipality

Annual Financial Statements for the year ended 30 June 2017

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### 1.8 Financial instruments (continued)

Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or financial liability. An incremental cost is one that would not have been incurred if the entity had not acquired, issued or disposed of the financial instrument.

#### Classification

The entity has the following types of financial assets (classes and category) as reflected on the face of the statement of financial position or in the notes thereto:

Class	Category
Trade and other receivables	Financial asset measured at amortised cost
Other receivables from non-exchange transactions	Financial asset measured at amortised cost
Other financial assets	Financial asset measured at amortised cost

The entity has the following types of financial liabilities (classes and category) as reflected on the face of the statement of financial position or in the notes thereto:

Class	Category
Other financial liabilities	Financial liability measured at amortised cost
Trade and other payables	Financial liability measured at amortised cost

#### Initial recognition

The entity recognises a financial asset or a financial liability in its statement of financial position when the entity becomes a party to the contractual provisions of the instrument.

The entity recognises financial assets using trade date accounting.

#### Initial measurement of financial assets and financial liabilities

The entity measures a financial asset and financial liability initially at its fair value plus transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

The entity measures a financial asset and financial liability initially at its fair value [if subsequently measured at fair value].



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### 1.8 Financial instruments (continued)

#### Subsequent measurement of financial assets and financial liabilities

The entity measures all financial assets and financial liabilities after initial recognition using the following categories:

- Financial instruments at fair value.
- Financial instruments at amortised cost.
- Financial instruments at cost.

All financial assets measured at amortised cost, or cost, are subject to an impairment review.

#### Impairment and uncollectibility of financial assets

The entity assess at the end of each reporting period whether there is any objective evidence that a financial asset or group of financial assets is impaired.

Financial assets measured at amortised cost:

If there is objective evidence that an impairment loss on financial assets measured at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced directly OR through the use of an allowance account. The amount of the loss is recognised in surplus or deficit.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed directly OR by adjusting an allowance account. The reversal does not result in a carrying amount of the financial asset that exceeds what the amortised cost would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal is recognised in surplus or deficit.

Financial assets measured at cost:

If there is objective evidence that an impairment loss has been incurred on an investment in a residual interest that is not measured at fair value because its fair value cannot be measured reliably, the amount of the impairment loss is measured as the difference between the carrying amount of the financial asset and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed.

# Moses Kotane Local Municipality

Annual Financial Statements for the year ended 30 June 2017

## Accounting Policies

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### 1.8 Financial instruments (continued)

#### Derecognition

##### Financial assets

The entity derecognises financial assets using trade date accounting.

The entity derecognises a financial asset only when:

- the contractual rights to the cash flows from the financial asset expire, are settled or waived;
- the entity transfers to another party substantially all of the risks and rewards of ownership of the financial asset; or
- the entity, despite having retained some significant risks and rewards of ownership of the financial asset, has transferred control of the asset to another party and the other party has the practical ability to sell the asset in its entirety to an unrelated third party, and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer. In this case, the entity :
  - derecognise the asset; and
  - recognise separately any rights and obligations created or retained in the transfer.

The carrying amounts of the transferred asset are allocated between the rights or obligations retained and those transferred on the basis of their relative fair values at the transfer date. Newly created rights and obligations are measured at their fair values at that date. Any difference between the consideration received and the amounts recognised and derecognised is recognised in surplus or deficit in the period of the transfer.

On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received is recognised in surplus or deficit.

##### Financial liabilities

The entity removes a financial liability (or a part of a financial liability) from its statement of financial position when it is extinguished — i.e. when the obligation specified in the contract is discharged, cancelled, expires or waived.

The difference between the carrying amount of a financial liability (or part of a financial liability) extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in surplus or deficit. Any liabilities that are waived, forgiven or assumed by another entity by way of a non-exchange transaction are accounted for in accordance with the Standard of GRAP on Revenue from Non-exchange Transactions (Taxes and Transfers).

#### Presentation

A financial asset and a financial liability are only offset and the net amount presented in the statement of financial position when the entity currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

In accounting for a transfer of a financial asset that does not qualify for derecognition, the entity does not offset the transferred asset and the associated liability.

### 1.9 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

When a lease includes both land and buildings elements, the entity assesses the classification of each element separately.

#### Finance leases - lessee

Finance leases are recognised as assets and liabilities in the statement of financial position at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation.

Any contingent rents are expensed in the period in which they are incurred.

# Moses Kotane Local Municipality

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## Accounting Policies

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### 1.9 Leases (continued)

#### Operating leases - lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset or liability.

### 1.10 Inventory

Inventory are initially measured at cost except where inventory are acquired through a non-exchange transaction, then their costs are their fair value as at the date of acquisition.

Subsequently inventory are measured at the lower of cost and net realisable value.

Inventory are measured at the lower of cost and current replacement cost where they are held for;

- distribution at no charge or for a nominal charge; or
- consumption in the production process of goods to be distributed at no charge or for a nominal charge.

Net realisable value is the estimated selling price in the ordinary course of operations less the estimated costs of completion and the estimated costs necessary to make the sale, exchange or distribution.

The cost of inventory comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the inventory to their present location and condition.

The cost of inventory of items that are not ordinarily interchangeable and goods or services produced and segregated for specific projects is assigned using specific identification of the individual costs.

The cost of inventory is assigned using the first-in, first-out (FIFO) formula. The same cost formula is used for all inventory having a similar nature and use to the municipality.

When inventory are sold, the carrying amounts of those inventory are recognised as an expense in the period in which the related revenue is recognised. If there is no related revenue, the expenses are recognised when the goods are distributed, or related services are rendered. The amount of any write-down of inventory to net realisable value or current replacement cost and all losses of inventory are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventory, arising from an increase in net realisable value or current replacement cost, are recognised as a reduction in the amount of inventory recognised as an expense in the period in which the reversal occurs.

### 1.11 Impairment of cash-generating assets

Cash-generating assets are those assets held by the municipality with the primary objective of generating a commercial return. When an asset is deployed in a manner consistent with that adopted by a profit-orientated entity, it generates a commercial return.

Impairment is a loss in the future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the asset's future economic benefits or service potential through depreciation (amortisation).

Carrying amount is the amount at which an asset is recognised in the statement of financial position after deducting any accumulated depreciation and accumulated impairment losses thereon.

A cash-generating unit is the smallest identifiable group of assets held with the primary objective of generating a commercial return that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets.

Costs of disposal are incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense.

Depreciation (Amortisation) is the systematic allocation of the depreciable amount of an asset over its useful life.

Fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

Recoverable amount of an asset or a cash-generating unit is the higher its fair value less costs to sell and its value in use.

# Moses Kotane Local Municipality

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## Accounting Policies

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### 1.11 Impairment of cash-generating assets (continued)

Useful life is either:

- (a) the period of time over which an asset is expected to be used by the municipality; or
- (b) the number of production or similar units expected to be obtained from the asset by the municipality.

#### Identification

When the carrying amount of a cash-generating asset exceeds its recoverable amount, it is impaired.

The municipality assesses at each reporting date whether there is any indication that a cash-generating asset may be impaired. If any such indication exists, the municipality estimates the recoverable amount of the asset.

Irrespective of whether there is any indication of impairment, the municipality also test a cash-generating intangible asset with an indefinite useful life or a cash-generating intangible asset not yet available for use for impairment annually by comparing its carrying amount with its recoverable amount. This impairment test is performed at the same time every year. If an intangible asset was initially recognised during the current reporting period, that intangible asset was tested for impairment before the end of the current reporting period.

#### Value in use

Value in use of a cash-generating asset is the present value of the estimated future cash flows expected to be derived from the continuing use of an asset and from its disposal at the end of its useful life.

When estimating the value in use of an asset, the municipality estimates the future cash inflows and outflows to be derived from continuing use of the asset and from its ultimate disposal and the municipality applies the appropriate discount rate to those future cash flows.

#### Discount rate

The discount rate is a pre-tax rate that reflects current market assessments of the time value of money, represented by the current risk-free rate of interest and the risks specific to the asset for which the future cash flow estimates have not been adjusted.

#### Recognition and measurement (individual asset)

If the recoverable amount of a cash-generating asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. This reduction is an impairment loss.

An impairment loss is recognised immediately in surplus or deficit.

Any impairment loss of a revalued cash-generating asset is treated as a revaluation decrease.

When the amount estimated for an impairment loss is greater than the carrying amount of the cash-generating asset to which it relates, the municipality recognises a liability only to the extent that is a requirement in the Standard of GRAP.

After the recognition of an impairment loss, the depreciation (amortisation) charge for the cash-generating asset is adjusted in future periods to allocate the cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

# Moses Kotane Local Municipality

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## Accounting Policies

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### 1.11 Impairment of cash-generating assets (continued)

#### Reversal of impairment loss

The municipality assess at each reporting date whether there is any indication that an impairment loss recognised in prior periods for a cash-generating asset may no longer exist or may have decreased. If any such indication exists, the entity estimates the recoverable amount of that asset.

An impairment loss recognised in prior periods for a cash-generating asset is reversed if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of the asset is increased to its recoverable amount. The increase is a reversal of an impairment loss. The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss for a cash-generating asset is recognised immediately in surplus or deficit.

Any reversal of an impairment loss of a revalued cash-generating asset is treated as a revaluation increase.

After a reversal of an impairment loss is recognised, the depreciation (amortisation) charge for the cash-generating asset is adjusted in future periods to allocate the cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

A reversal of an impairment loss for a cash-generating unit is allocated to the cash-generating assets of the unit pro rata with the carrying amounts of those assets. These increases in carrying amounts are treated as reversals of impairment losses for individual assets. No part of the amount of such a reversal is allocated to a non-cash-generating asset contributing service potential to a cash-generating unit.

In allocating a reversal of an impairment loss for a cash-generating unit, the carrying amount of an asset is not increased above the lower of:

- its recoverable amount (if determinable); and
- the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset in prior periods.

The amount of the reversal of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit.

#### Redesignation

The redesignation of assets from a cash-generating asset to a non-cash-generating asset or from a non-cash-generating asset to a cash-generating asset only occur when there is clear evidence that such a redesignation is appropriate.

### 1.12 Impairment of non-cash-generating assets

Cash-generating assets are those assets held by the municipality with the primary objective of generating a commercial return. When an asset is deployed in a manner consistent with that adopted by a profit-orientated entity, it generates a commercial return.

Non-cash-generating assets are assets other than cash-generating assets.

Impairment is a loss in the future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the asset's future economic benefits or service potential through depreciation (amortisation).

Carrying amount is the amount at which an asset is recognised in the statement of financial position after deducting any accumulated depreciation and accumulated impairment losses thereon.

A cash-generating unit is the smallest identifiable group of assets held with the primary objective of generating a commercial return that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets.

Costs of disposal are incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense.

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### 1.12 Impairment of non-cash-generating assets (continued)

Depreciation (Amortisation) is the systematic allocation of the depreciable amount of an asset over its useful life.

Fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

Recoverable service amount is the higher of a non-cash-generating asset's fair value less costs to sell and its value in use.

Useful life is either:

- (a) the period of time over which an asset is expected to be used by the municipality; or
- (b) the number of production or similar units expected to be obtained from the asset by the municipality.

#### Identification

When the carrying amount of a non-cash-generating asset exceeds its recoverable service amount, it is impaired.

The municipality assesses at each reporting date whether there is any indication that a non-cash-generating asset may be impaired. If any such indication exists, the municipality estimates the recoverable service amount of the asset.

Irrespective of whether there is any indication of impairment, the entity also test a non-cash-generating intangible asset with an indefinite useful life or a non-cash-generating intangible asset not yet available for use for impairment annually by comparing its carrying amount with its recoverable service amount. This impairment test is performed at the same time every year. If an intangible asset was initially recognised during the current reporting period, that intangible asset was tested for impairment before the end of the current reporting period.

#### Value in use

Value in use of non-cash-generating assets is the present value of the non-cash-generating assets remaining service potential.

The present value of the remaining service potential of a non-cash-generating assets is determined using the following approach:

#### Recognition and measurement

If the recoverable service amount of a non-cash-generating asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable service amount. This reduction is an impairment loss.

An impairment loss is recognised immediately in surplus or deficit.

Any impairment loss of a revalued non-cash-generating asset is treated as a revaluation decrease.

When the amount estimated for an impairment loss is greater than the carrying amount of the non-cash-generating asset to which it relates, the municipality recognises a liability only to the extent that is a requirement in the Standards of GRAP.

After the recognition of an impairment loss, the depreciation (amortisation) charge for the non-cash-generating asset is adjusted in future periods to allocate the non-cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

# Moses Kotane Local Municipality

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### 1.12 Impairment of non-cash-generating assets (continued)

#### Reversal of an impairment loss

The municipality assess at each reporting date whether there is any indication that an impairment loss recognised in prior periods for a non-cash-generating asset may no longer exist or may have decreased. If any such indication exists, the municipality estimates the recoverable service amount of that asset.

An impairment loss recognised in prior periods for a non-cash-generating asset is reversed if there has been a change in the estimates used to determine the asset's recoverable service amount since the last impairment loss was recognised. The carrying amount of the asset is increased to its recoverable service amount. The increase is a reversal of an impairment loss. The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss for a non-cash-generating asset is recognised immediately in surplus or deficit.

Any reversal of an impairment loss of a revalued non-cash-generating asset is treated as a revaluation increase.

After a reversal of an impairment loss is recognised, the depreciation (amortisation) charge for the non-cash-generating asset is adjusted in future periods to allocate the non-cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

#### Redesignation

The redesignation of assets from a cash-generating asset to a non-cash-generating asset or from a non-cash-generating asset to a cash-generating asset only occur when there is clear evidence that such a redesignation is appropriate.

### 1.13 Share capital / contributed capital

An equity instrument is any contract that evidences a residual interest in the assets of an municipality after deducting all of its liabilities.

### 1.14 Employee benefits

Employee benefits are all forms of consideration given by an entity in exchange for service rendered by employees.

A qualifying insurance policy is an insurance policy issued by an insurer that is not a related party (as defined in the Standard of GRAP on Related Party Disclosures) of the reporting entity, if the proceeds of the policy can be used only to pay or fund employee benefits under a defined benefit plan and are not available to the reporting entity's own creditors (even in liquidation) and cannot be paid to the reporting entity, unless either:

- the proceeds represent surplus assets that are not needed for the policy to meet all the related employee benefit obligations; or
- the proceeds are returned to the reporting entity to reimburse it for employee benefits already paid.

Termination benefits are employee benefits payable as a result of either:

- an entity's decision to terminate an employee's employment before the normal retirement date; or
- an employee's decision to accept voluntary redundancy in exchange for those benefits.

Other long-term employee benefits are employee benefits (other than post-employment benefits and termination benefits) that are not due to be settled within twelve months after the end of the period in which the employees render the related service.

Vested employee benefits are employee benefits that are not conditional on future employment.

Composite social security programmes are established by legislation and operate as multi-employer plans to provide post-employment benefits as well as to provide benefits that are not consideration in exchange for service rendered by employees.

A constructive obligation is an obligation that derives from an entity's actions where by an established pattern of past practice, published policies or a sufficiently specific current statement, the entity has indicated to other parties that it will accept certain responsibilities and as a result, the entity has created a valid expectation on the part of those other parties that it will discharge those responsibilities.

# Moses Kotane Local Municipality

Annual Financial Statements for the year ended 30 June 2017

## Accounting Policies

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### 1.14 Employee benefits (continued)

#### Short-term employee benefits

Short-term employee benefits are employee benefits (other than termination benefits) that are due to be settled within twelve months after the end of the period in which the employees render the related service.

Short-term employee benefits include items such as:

- wages, salaries and social security contributions;
- short-term compensated absences (such as paid annual leave and paid sick leave) where the compensation for the absences is due to be settled within twelve months after the end of the reporting period in which the employees render the related employee service;
- bonus, incentive and performance related payments payable within twelve months after the end of the reporting period in which the employees render the related service; and
- non-monetary benefits (for example, medical care, and free or subsidised goods or services such as housing, cars and cellphones) for current employees.

When an employee has rendered service to the entity during a reporting period, the entity recognise the undiscounted amount of short-term employee benefits expected to be paid in exchange for that service:

- as a liability (accrued expense), after deducting any amount already paid. If the amount already paid exceeds the undiscounted amount of the benefits, the entity recognise that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund; and
- as an expense, unless another Standard requires or permits the inclusion of the benefits in the cost of an asset.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs. The entity measure the expected cost of accumulating compensated absences as the additional amount that the entity expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The entity recognise the expected cost of bonus, incentive and performance related payments when the entity has a present legal or constructive obligation to make such payments as a result of past events and a reliable estimate of the obligation can be made. A present obligation exists when the entity has no realistic alternative but to make the payments.

#### Post-employment benefits

Post-employment benefits are employee benefits (other than termination benefits) which are payable after the completion of employment.

Post-employment benefit plans are formal or informal arrangements under which an entity provides post-employment benefits for one or more employees.

Multi-employer plans are defined contribution plans (other than state plans and composite social security programmes) or defined benefit plans (other than state plans) that pool the assets contributed by various entities that are not under common control and use those assets to provide benefits to employees of more than one entity, on the basis that contribution and benefit levels are determined without regard to the identity of the entity that employs the employees concerned.



# Moses Kotane Local Municipality

Annual Financial Statements for the year ended 30 June 2017

## Accounting Policies

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### 1.14 Employee benefits (continued)

#### Post-employment benefits: Defined contribution plans

Defined contribution plans are post-employment benefit plans under which an entity pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods.

When an employee has rendered service to the entity during a reporting period, the entity recognise the contribution payable to a defined contribution plan in exchange for that service:

- as a liability (accrued expense), after deducting any contribution already paid. If the contribution already paid exceeds the contribution due for service before the reporting date, an entity recognise that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund; and
- as an expense, unless another Standard requires or permits the inclusion of the contribution in the cost of an asset.

Where contributions to a defined contribution plan do not fall due wholly within twelve months after the end of the reporting period in which the employees render the related service, they are discounted. The rate used to discount reflects the time value of money. The currency and term of the financial instrument selected to reflect the time value of money is consistent with the currency and estimated term of the obligation.

#### Actuarial assumptions

Actuarial assumptions are unbiased and mutually compatible.

Financial assumptions are based on market expectations, at the reporting date, for the period over which the obligations are to be settled.

The rate used to discount post-employment benefit obligations (both funded and unfunded) reflect the time value of money. The currency and term of the financial instrument selected to reflect the time value of money is consistent with the currency and estimated term of the post-employment benefit obligations.

Post-employment benefit obligations are measured on a basis that reflects:

- estimated future salary increases;
- the benefits set out in the terms of the plan (or resulting from any constructive obligation that goes beyond those terms) at the reporting date; and
- estimated future changes in the level of any state benefits that affect the benefits payable under a defined benefit plan, if, and only if, either:
  - those changes were enacted before the reporting date; or
  - past history, or other reliable evidence, indicates that those state benefits will change in some predictable manner, for example, in line with future changes in general price levels or general salary levels.

### 1.15 Provisions and contingencies

Provisions are recognised when:

- the municipality has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

The amount of a provision is the best estimate of the expenditure expected to be required to settle the present obligation at the reporting date.

Where the effect of time value of money is material, the amount of a provision is the present value of the expenditures expected to be required to settle the obligation.

The discount rate is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement is recognised when, and only when, it is virtually certain that reimbursement will be received if the municipality settles the obligation. The reimbursement is treated as a separate asset. The amount recognised for the reimbursement does not exceed the amount of the provision.

# Moses Kotane Local Municipality

Annual Financial Statements for the year ended 30 June 2017

## Accounting Policies

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### 1.15 Provisions and contingencies (continued)

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Provisions are reversed if it is no longer probable that an outflow of resources embodying economic benefits or service potential will be required, to settle the obligation.

Where discounting is used, the carrying amount of a provision increases in each period to reflect the passage of time. This increase is recognised as an interest expense.

A provision is used only for expenditures for which the provision was originally recognised.

Provisions are not recognised for future operating deficits.

If an entity has a contract that is onerous, the present obligation (net of recoveries) under the contract is recognised and measured as a provision.

A constructive obligation to restructure arises only when an entity:

- has a detailed formal plan for the restructuring, identifying at least:
  - the activity/operating unit or part of a activity/operating unit concerned;
  - the principal locations affected;
  - the location, function, and approximate number of employees who will be compensated for services being terminated;
  - the expenditures that will be undertaken; and
  - when the plan will be implemented; and
- has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 33.

# Moses Kotane Local Municipality

Annual Financial Statements for the year ended 30 June 2017

## Accounting Policies

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### 1.15 Provisions and contingencies (continued)

#### Decommissioning, restoration and similar liability

Changes in the measurement of an existing decommissioning, restoration and similar liability that result from changes in the estimated timing or amount of the outflow of resources embodying economic benefits or service potential required to settle the obligation, or a change in the discount rate, is accounted for as follows:

If the related asset is measured using the cost model:

- changes in the liability is added to, or deducted from, the cost of the related asset in the current period.
- the amount deducted from the cost of the asset does not exceed its carrying amount. If a decrease in the liability exceeds the carrying amount of the asset, the excess is recognised immediately in surplus or deficit.
- if the adjustment results in an addition to the cost of an asset, the entity consider whether this is an indication that the new carrying amount of the asset may not be fully recoverable. If there is such an indication, the entity test the asset for impairment by estimating its recoverable amount or recoverable service amount, and account for any impairment loss, in accordance with the accounting policy on impairment of assets as described in accounting policy 1.11 and 1.12.

If the related asset is measured using the revaluation model:

- changes in the liability alter the revaluation surplus or deficit previously recognised on that asset, so that:
  - a decrease in the liability is credited directly to revaluation surplus in net assets, except that it is recognised in surplus or deficit to the extent that it reverses a revaluation deficit on the asset that was previously recognised in surplus or deficit; and
  - an increase in the liability is recognised in surplus or deficit, except that it is debited directly to revaluation surplus in net assets to the extent of any credit balance existing in the revaluation surplus in respect of that asset;
- in the event that a decrease in the liability exceeds the carrying amount that would have been recognised had the asset been carried under the cost model, the excess is recognised immediately in surplus or deficit;
- a change in the liability is an indication that the asset may have to be revalued in order to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the reporting date. Any such revaluation is taken into account in determining the amounts to be taken to surplus or deficit and net assets. If a revaluation is necessary, all assets of that class is revalued; and
- the Standard of GRAP on Presentation of Financial Statements requires disclosure on the face of the statement of changes in net assets of each item of revenue or expense that is recognised directly in net assets. In complying with this requirement, the change in the revaluation surplus arising from a change in the liability is separately identified and disclosed as such.

The adjusted depreciable amount of the asset is depreciated over its useful life. Therefore, once the related asset has reached the end of its useful life, all subsequent changes in the liability is recognised in surplus or deficit as they occur. This applies under both the cost model and the revaluation model.

The periodic unwinding of the discount is recognised in surplus or deficit as a finance cost as it occurs.

### 1.16 Commitments

Items are classified as commitments when an entity has committed itself to future transactions that will normally result in the outflow of cash.

Commitments for which disclosure is necessary to achieve a fair presentation should be disclosed in a note to the financial statements, if both the following criteria are met:

- Contracts should be non-cancellable or only cancellable at significant cost (for example, contracts for computer or building maintenance services); and
- Contracts should relate to something other than the routine, steady, state business of the entity – therefore salary commitments relating to employment contracts or social security benefit commitments are excluded.

### 1.17 Revenue from exchange transactions

Revenue is the gross inflow of economic benefits or service potential during the reporting period when those inflows result in an increase in net assets, other than increases relating to contributions from owners.

An exchange transaction is one in which the municipality receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of goods, services or use of assets) to the other party in exchange.

# Moses Kotane Local Municipality

Annual Financial Statements for the year ended 30 June 2017

## Accounting Policies

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### 1.17 Revenue from exchange transactions (continued)

#### Measurement

Revenue is measured at the fair value of the consideration received or receivable, net of trade discounts and volume rebates.

#### Sale of goods

Revenue from the sale of goods is recognised when all the following conditions have been satisfied:

- the municipality has transferred to the purchaser the significant risks and rewards of ownership of the goods;
- the municipality retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits or service potential associated with the transaction will flow to the municipality; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

#### Rendering of services

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the reporting date. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the economic benefits or service potential associated with the transaction will flow to the municipality;
- the stage of completion of the transaction at the reporting date can be measured reliably; and
- the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

When services are performed by an indeterminate number of acts over a specified time frame, revenue is recognised on a straight line basis over the specified time frame unless there is evidence that some other method better represents the stage of completion. When a specific act is much more significant than any other acts, the recognition of revenue is postponed until the significant act is executed.

When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

Service revenue is recognised by reference to the stage of completion of the transaction at the reporting date. Stage of completion is determined by the proportion that costs incurred to date bear to the total estimated costs of the transaction.

### 1.18 Revenue from non-exchange transactions

Non-exchange transactions are defined as transactions where the entity receives value from another entity without directly giving approximately equal value in exchange.

#### Rates, including collection charges and penalties interest

Revenue from rates, including collection charges and penalty interest, is recognised when:

- it is probable that the economic benefits or service potential associated with the transaction will flow to the municipality;
- the amount of the revenue can be measured reliably; and
- there has been compliance with the relevant legal requirements.

# Moses Kotane Local Municipality

Annual Financial Statements for the year ended 30 June 2017

## Accounting Policies

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### 1.18 Revenue from non-exchange transactions (continued)

#### Fines

Revenue from the issuing of fines is recognised when:

- it is probable that the economic benefits or service potential associated with the transaction will flow to the municipality; and
- the amount of the revenue can be measured reliably.

The municipality has two types of fines: spot fines.

Spot fines are recognised on offence date.

An estimate is made for the revenue amount collected from summonses based on past experience of amounts collected. Where a reliable estimate cannot be made of revenue from summonses, the revenue from summonses is recognised when the public prosecutor pays over to the entity the cash actually collected on summonses issued.

#### Levies

Levies are recognised as revenue when:

- it is probable that the economic benefits or service potential associated with the transaction will flow to the municipality; and
- the amount of the revenue can be measured reliably.

Levies are based on declarations completed by levy payers. The estimate of levies revenue when a levy payer has not submitted a declaration are based on the following factors:

- the extent and success of procedures to investigate the non-submission of a declaration by defaulting levy payers;
- internal records maintained of historical comparisons of estimated levies with actual levies received from individual levy payers;
- historical information on declarations previously submitted by defaulting levy payers; and
- the accuracy of the database of levy payers as well as the frequency by which it is updated for changes.

Changes to estimates made when more reliable information becomes available are processed as an adjustment to levies revenue.

#### Government grants

Government grants are recognised as revenue when:

- it is probable that the economic benefits or service potential associated with the transaction will flow to the municipality,
- the amount of the revenue can be measured reliably, and
- to the extent that there has been compliance with any restrictions associated with the grant.

The municipality assesses the degree of certainty attached to the flow of future economic benefits or service potential on the basis of the available evidence. Certain grants payable by one level of government to another are subject to the availability of funds. Revenue from these grants is only recognised when it is probable that the economic benefits or service potential associated with the transaction will flow to the entity. An announcement at the beginning of a financial year that grants may be available for qualifying entities in accordance with an agreed programme may not be sufficient evidence of the probability of the flow. Revenue is then only recognised once evidence of the probability of the flow becomes available.

### 1.19 Investment income

Investment income is recognised on a time-proportion basis using the effective interest method.

### 1.20 Borrowing costs

Borrowing costs are interest and other expenses incurred by an entity in connection with the borrowing of funds.

Borrowing costs are recognised as an expense in the period in which they are incurred.

### 1.21 Comparative figures

Where necessary, comparative figures have been reclassified to conform to changes in presentation in the current year.

# Moses Kotane Local Municipality

Annual Financial Statements for the year ended 30 June 2017

## Accounting Policies

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### 1.22 Unauthorised expenditure

Unauthorised expenditure means:

- overspending of a vote or a main division within a vote; and
- expenditure not in accordance with the purpose of a vote or, in the case of a main division, not in accordance with the purpose of the main division.

All expenditure relating to unauthorised expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

### 1.23 Fruitless and wasteful expenditure

Fruitless expenditure means expenditure which was made in vain and would have been avoided had reasonable care been exercised.

All expenditure relating to fruitless and wasteful expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

### 1.24 Irregular expenditure

Irregular expenditure as defined in section 1 of the PFMA is expenditure other than unauthorised expenditure, incurred in contravention of or that is not in accordance with a requirement of any applicable legislation, including -

- (a) this Act; or
- (b) the State Tender Board Act, 1968 (Act No. 86 of 1968), or any regulations made in terms of the Act; or
- (c) any provincial legislation providing for procurement procedures in that provincial government.

National Treasury practice note no. 4 of 2008/2009 which was issued in terms of sections 76(1) to 76(4) of the PFMA requires the following (effective from 1 April 2008):

Irregular expenditure that was incurred and identified during the current financial and which was condoned before year end and/or before finalisation of the financial statements must also be recorded appropriately in the irregular expenditure register. In such an instance, no further action is also required with the exception of updating the note to the financial statements.

Irregular expenditure that was incurred and identified during the current financial year and for which condonement is being awaited at year end must be recorded in the irregular expenditure register. No further action is required with the exception of updating the note to the financial statements.

Where irregular expenditure was incurred in the previous financial year and is only condoned in the following financial year, the register and the disclosure note to the financial statements must be updated with the amount condoned.

Irregular expenditure is expenditure that is contrary to the Municipal Finance Management Act (Act No.56 of 2003), the Municipal Systems Act (Act No.32 of 2000), and the Public Office Bearers Act (Act No. 20 of 1998) or is in contravention of the economic entity's supply chain management policy. Irregular expenditure excludes unauthorised expenditure. Irregular expenditure is accounted for as expenditure in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

### 1.25 Related parties

The municipality operates in an economic sector currently dominated by entities directly or indirectly owned by the South African Government. As a consequence of the constitutional independence of the three spheres of government in South Africa, only entities within the national sphere of government are considered to be related parties.

Management are those persons responsible for planning, directing and controlling the activities of the municipality, including those charged with the governance of the municipality in accordance with legislation, in instances where they are required to perform such functions.

Close members of the family of a person are considered to be those family members who may be expected to influence, or be influenced by, that management in their dealings with the municipality.

Only transactions with related parties not at arm's length or not in the ordinary course of business are disclosed.

# Moses Kotane Local Municipality

Annual Financial Statements for the year ended 30 June 2017

## Accounting Policies

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### 1.26 Events after reporting date

Events after reporting date are those events, both favourable and unfavourable, that occur between the reporting date and the date when the financial statements are authorised for issue. Two types of events can be identified:

- those that provide evidence of conditions that existed at the reporting date (adjusting events after the reporting date); and
- those that are indicative of conditions that arose after the reporting date (non-adjusting events after the reporting date).

The municipality will adjust the amount recognised in the financial statements to reflect adjusting events after the reporting date once the event occurred.

The municipality will disclose the nature of the event and an estimate of its financial effect or a statement that such estimate cannot be made in respect of all material non-adjusting events, where non-disclosure could influence the economic decisions of users taken on the basis of the financial statements.

# Moses Kotane Local Municipality

Annual Financial Statements for the year ended 30 June 2017

## Notes to the Annual Financial Statements

Figures in Rand	2017	2016
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### 2. New standards and interpretations

#### 2.1 Standards and interpretations effective and adopted in the current year

In the current year, the municipality has adopted the following standards and interpretations that are effective for the current financial year and that are relevant to its operations:

Standard/ Interpretation:	Effective date: Years beginning on or after
• GRAP 20: Related parties	01 April 2016
• GRAP108: Statutory Receivables	01 April 2016
• DIRECTIVE 11: Changes in measurement bases following the initial adoption of Standards of GRAP	01 April 2016

#### 2.2 Standards and interpretations not yet effective or relevant

The following standards and interpretations have been published and are mandatory for the municipality's accounting periods beginning on or after 01 July 2017 or later periods but are not relevant to its operations:

Standard/ Interpretation:	Effective date: Years beginning on or after
• GRAP 18: Segment Reporting	01 April 2015
• GRAP 105: Transfers of functions between entities under common control	01 April 2015
• GRAP 106: Transfers of functions between entities not under common control	01 April 2015
• IGRAP 11: Consolidation – Special purpose entities	01 April 2015
• IGRAP 12: Jointly controlled entities – Non-monetary contributions by ventures	01 April 2015
• GRAP 6 (as revised 2010): Consolidated and Separate Financial Statements	01 April 2015
• GRAP 7 (as revised 2010): Investments in Associates	01 April 2015
• GRAP 8 (as revised 2010): Interests in Joint Ventures	01 April 2015
• GRAP32: Service Concession Arrangements: Grantor	01 April 2016
• IGRAP17: Service Concession Arrangements where a Grantor Controls a Significant Residual Interest in an Asset	01 April 2016



# Moses Kotane Local Municipality

Annual Financial Statements for the year ended 30 June 2017

## Notes to the Annual Financial Statements

Figures in Rand

### 3. Property, plant and equipment

	2017		2016	
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation
Land	24 031 449	-	24 031 449	19 570 600
Buildings	-	-	-	27 832 431
Infrastructure	943 405 074	-	943 405 074	1 758 159 231
Community	-	-	-	132 706 112
Other property, plant and equipment	-	-	-	127 417 049
Other property, plant and equipment # 4	306 815 291	-	306 815 291	76 404 914
<b>Total</b>	<b>1 274 251 814</b>	<b>-</b>	<b>1 274 251 814</b>	<b>2 142 090 337</b>
				<b>(923 424 867)</b>
				<b>1 218 665 470</b>

### Reconciliation of property, plant and equipment - 2017

	Opening balance	Additions	Disposals	Transfers	Depreciation	Total
Land	19 570 600	1 040 600	4 339 349	-	(919 100)	24 031 449
Buildings	20 561 090	-	-	(21 527 090)	966 000	-
Infrastructure	945 948 690	26 724 080	(93 834 538)	70 726 332	(6 159 490)	943 405 074
Community	97 362 488	10 823 934	(1 466 336)	(102 931 228)	(3 788 858)	-
Other property, plant and equipment	58 817 688	12 828 247	(72 514 181)	20 899 694	(20 031 448)	-
Other property, plant and equipment	76 404 914	1 773 687	-	228 636 690	-	306 815 291
<b>Total</b>	<b>1 218 665 470</b>	<b>53 190 548</b>	<b>(163 475 706)</b>	<b>195 804 398</b>	<b>(29 932 896)</b>	<b>1 274 251 814</b>

# Moses Kotane Local Municipality

Annual Financial Statements for the year ended 30 June 2017

## Notes to the Annual Financial Statements

Figures in Rand

### 3. Property, plant and equipment (continued)

#### Reconciliation of property, plant and equipment - 2016

	Opening balance	Additions	Disposals	Transfers received	Transfers	Depreciation	Impairment loss	Total
Land	13 026 149	-	(4 460 849)	-	11 005 300	-	-	19 570 600
Buildings	30 027 406	-	-	(9 135 117)	-	(74 486)	(256 713)	20 561 090
Infrastructure	823 057 855	138 197 786	(141 536)	(29 514 380)	36 999 187	(21 336 143)	(1 314 079)	945 948 690
Community	128 188 472	29 303 715	(6 280 449)	-	(52 731 768)	(631 252)	(486 230)	97 362 488
Other property, plant and equipment	85 940 991	43 104 474	-	-	(47 076 367)	(23 151 410)	-	58 817 688
Other property, plant and equipment # 4	-	76 404 914	-	-	-	-	-	76 404 914
	<b>1 080 240 873</b>	<b>287 010 889</b>	<b>(10 882 834)</b>	<b>(38 649 497)</b>	<b>(51 803 648)</b>	<b>(45 193 291)</b>	<b>(2 057 022)</b>	<b>1 218 665 470</b>

### Transitional provisions

A register containing the information required by section 63 of the Municipal Finance Management Act is available for inspection at the registered office of the municipality.

### 4. Heritage assets

	2017			2016		
	Cost	Accumulated impairment losses	Carrying value	Cost	Accumulated impairment losses	Carrying value
Sculpture	14 000	-	14 000	14 000	-	14 000

#### Reconciliation of heritage assets 2017

	Opening balance	Total
Sculpture	14 000	14 000

#### Reconciliation of heritage assets 2016

	Opening balance	Total
	14 000	14 000

# Moses Kotane Local Municipality

Annual Financial Statements for the year ended 30 June 2017

## Notes to the Annual Financial Statements

Figures in Rand	2017	2016
<b>4. Heritage assets (continued)</b>		
Sculpture	14 000	14 000
<b>5. Inventory</b>		
Maintenance materials	7 749 531	8 305 971
Water	73 497	64 372
	<b>7 823 028</b>	<b>8 370 343</b>
<p>It was noted during the performance of the year end stock count that inventory to the value of R961 811 could not be accounted for. The balance disclosed above has been adjusted to exclude the inventory. As no explanation could be obtained as to the reason for the loss in inventory an investigation has been launched. The necessary action will be taken by management based on the outcome of the investigation.</p>		
<b>6. Receivables from exchange transactions</b>		
Housing debtors	88 919	89 919
Bakwena systems - Photocopiers	1 558 214	2 066 941
	<b>1 647 133</b>	<b>2 156 860</b>
<b>7. Receivables from non-exchange transactions</b>		
Fines	826 260	185 146
Other receivables from non-exchange revenue	11 775 939	12 784 057
	<b>12 602 199</b>	<b>12 969 203</b>
<b>Traffic fines debtors</b>		
Opening balance	185 146	178 657
Hand and camera issued fines	7 124 450	4 642 651
Payments received	(481 111)	(192 660)
Debt impairment	(6 379 171)	(4 443 502)
	<b>449 314</b>	<b>185 146</b>
<b>8. VAT receivable</b>		
VAT	62 134 028	14 633 254
<p>The municipality is registered for Value Added Tax on the payment basis.</p>		
<b>9. Consumer debtors</b>		
<b>Gross balances</b>		
Rates	204 660 373	168 761 315
Water	335 005 588	250 930 645
Sewerage	12 730 921	10 184 417
Refuse	51 992 616	39 247 331
Water consumption from last reading until 30th	3 851 234	2 132 107
	<b>608 240 732</b>	<b>471 255 815</b>

# Moses Kotane Local Municipality

Annual Financial Statements for the year ended 30 June 2017

## Notes to the Annual Financial Statements

Figures in Rand	2017	2016
<b>9. Consumer debtors (continued)</b>		
<b>Less: Allowance for impairment</b>		
Rates	(130 167 458)	(23 906 675)
Water	(175 163 616)	(205 995 916)
Sewerage	(5 892 354)	(9 253 068)
Refuse	(38 946 660)	(37 392 233)
Other (specify)	(54 862 181)	-
	<b>(405 032 269)</b>	<b>(276 547 892)</b>
<b>Net balance</b>		
Rates	74 492 915	144 854 640
Water	159 841 972	44 934 730
Sewerage	6 838 567	931 349
Refuse	13 045 956	1 855 099
Water consumption from last reading until 30th	(51 010 947)	2 132 107
	<b>203 208 463</b>	<b>194 707 925</b>
<b>Rates</b>		
Current (0 -30 days)	12 369 650	19 302 111
31 - 60 days	21 929 651	6 396 093
61 - 90 days	10 835 543	6 342 998
91 - 120 days	7 081 600	5 939 358
> 121 days	128 206 702	130 780 755
Less provision	(105 930 231)	(23 906 675)
	<b>74 492 915</b>	<b>144 854 640</b>
<b>Water</b>		
Current (0 -30 days)	13 180 080	13 648 922
31 - 60 days	22 250 771	8 309 156
61 - 90 days	11 148 257	7 508 041
91 - 120 days	9 020 060	7 842 574
> 121 days	274 818 973	213 621 953
Less provision	(170 576 169)	(205 995 916)
	<b>159 841 972</b>	<b>44 934 730</b>
<b>Refuse</b>		
Current (0 -30 days)	1 072 614	906 328
31 - 60 days	183 700	892 624
61 - 90 days	4 583	884 769
91 - 120 days	5 091	878 386
> 121 days	46 444 401	35 685 224
Less provision	(40 871 822)	(38 315 982)
	<b>6 838 567</b>	<b>931 349</b>
<b>Sewerage</b>		
Current (0 -30 days)	47 768	354 459
31 - 60 days	263 058	202 334
61 - 90 days	261 372	151 813
91 - 120 days	214 051	142 507
> 121 days	9 605 152	9 333 303
Less provision	2 654 555	(8 329 317)
	<b>13 045 956</b>	<b>1 855 099</b>

# Moses Kotane Local Municipality

Annual Financial Statements for the year ended 30 June 2017

## Notes to the Annual Financial Statements

Figures in Rand	2017	2016
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### 9. Consumer debtors (continued)

#### Water consumption from last readings

Current (0 -30 days)	-	2 132 107
Undefined Difference	(51 010 947)	-
	<u>(51 010 947)</u>	<u>2 132 107</u>

#### Reconciliation of allowance for impairment

Balance at beginning of the year	(276 547 891)	(192 442 230)
Contributions to allowance	(128 484 377)	(84 105 661)
	<u>(405 032 268)</u>	<u>(276 547 891)</u>

### 10. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	20 000	20 000
Bank balances	8 685 558	20 688 339
Short-term deposits	22 276 037	114 568 303
	<u>30 981 595</u>	<u>135 276 642</u>

#### The municipality had the following bank accounts

Account number / description	Bank statement balances			Cash book balances		
	30 June 2017	30 June 2016	30 June 2015	30 June 2017	30 June 2016	30 June 2015
ABSA Rustenburg Branch Account number: 405 041 4471	8 277 624	20 249 250	11 380 943	8 092 164	19 649 624	10 592 629
Capital Replacement Reserve Account number: 92 9306 8882	907 667	10 279 104	27 450 737	931 818	10 279 104	27 450 737
Housing Account account number: 405 921 9109	432 597	407 697	338 701	436 716	407 697	338 701
Traffic account Account number: 407 011 8019	151 731	631 018	415 426	156 678	631 018	415 426
Petty cash	-	-	-	20 000	20 000	20 000
MKLM call account Account number: 90 5777 9477	1 325 304	31 460 316	12 454 016	1 374 999	31 460 316	12 454 016
Housing subsidy account Account number: 40 6782 2645	-	-	9 404	-	-	9 404
MIG call account Account number: 40 6677 8588	18 830 448	40 222 095	28 816 714	19 064 342	40 222 095	28 816 714
Civic Centre call account Account number: 40 6723 1195	-	-	70 649	-	-	70 649
Water and Sanitation call account 40 7270 1220	-	-	194 725	-	-	194 725
Ledig Reservoir -Water projects Account number: 40 8525 7086	581 208	5 341 389	5 120 462	599 584	5 341 389	5 120 462
Absa fixed deposit-12 months Eskom Account number: 2062250801	283 977	265 399	249 802	305 294	265 399	249 802
Nedbank Fixed Deposit Account number:03 7881 1123028	-	27 000 000	-	-	27 000 000	-
<b>Total</b>	<b>30 790 556</b>	<b>135 856 268</b>	<b>86 501 579</b>	<b>30 981 595</b>	<b>135 276 642</b>	<b>85 733 265</b>

# Moses Kotane Local Municipality

Annual Financial Statements for the year ended 30 June 2017

## Notes to the Annual Financial Statements

Figures in Rand	2017	2016
<b>11. Finance lease obligation</b>		
<b>Minimum lease payments due within one year</b>		
IT equipment		3 581 744
Vehicles	1 302 961	2 717 707
<b>Present value of minimum lease payments</b>	<b>1 302 961</b>	<b>6 299 451</b>
<b>Present value of minimum lease payments due in second year to fifth year inclusive</b>		
Vehicles	229 425	1 533 386
Non-current liabilities	1 533 386	1 533 386
Current liabilities	(1 000)	4 766 065
	<b>1 532 386</b>	<b>6 299 451</b>

The average lease term is between 3 to 5 years and the average effective borrowing rate was between 6,1% and 9,5% interest rates are coupled to prime and CPI Index at the contract date. The municipality's obligation under finance leases are secured by the lessor's chargeover the leased assets.

## 12. Unspent conditional grants and receipts

Unspent conditional grants and receipts comprises of:

<b>Unspent conditional grants and receipts</b>		
Municipal Infrastructure Grant		14 441 346
Mogwase Library Grant	1 090 523	233 706
Water and Sanitation Grant	10 956 256	-
EPWP Grant	958 191	-
	<b>13 004 970</b>	<b>14 675 052</b>

The nature and extent of government grants recognised in the annual financial statements is an of indication of other forms of government assistance from which the municipality has directly benefited; and

Unfulfilled conditions and other contingencies attaching to government assistance that has been recognised.

These amounts are invested in a ring-fenced investment account until utilised.

## 13. Other financial liabilities

<b>At amortised cost</b>		
ABSA annuity loan	8 589 225	9 951 426
INCA annuity loan	17 689 987	21 416 206
DBSA annuity loan	27 341 445	30 317 324
	<b>53 620 657</b>	<b>61 684 956</b>
<b>Total other financial liabilities</b>	<b>53 620 657</b>	<b>61 684 956</b>

# Moses Kotane Local Municipality

Annual Financial Statements for the year ended 30 June 2017

## Notes to the Annual Financial Statements

Figures in Rand	2017	2016
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### 13. Other financial liabilities (continued)

Finance lease liabilities relates to vehicles and computer equipment with lease terms of 5 years

The effective interest rate of the finance leases is 8,25%. Capitalised lease liabilities are secured over the terms of vehicles and equipment is leased.

Other loans are repaid over a period of 10 to 20 years at interest rates varying from 8,8% to 14% per annum.

The management of the municipality is of the opinion that the carrying value of the long-term liabilities is recorded at amortised cost which approximate their fair values

Refer to Appendix 'A' for more detail on long-term liabilities.

#### Non-current liabilities

At amortised cost	44 806 011	53 818 653
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#### Current liabilities

At amortised cost	8 814 647	7 866 303
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# Moses Kotane Local Municipality

Annual Financial Statements for the year ended 30 June 2017

## Notes to the Annual Financial Statements

Figures in Rand

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### 14. Provisions

#### Reconciliation of provisions - 2017

	Opening Balance	Additions	Current service cost	Expected return on plan assets	Interest cost	Reduction due to re-measurement or settlement without cost to entity	Total
Environmental rehabilitation	26 417 820	2 615 551	-	-	795 943	-	29 829 314
Long service awards	13 639 731	-	1 292 827	(1 508 553)	1 110 357	(396 233)	14 138 132
	<b>40 057 551</b>	<b>2 615 551</b>	<b>1 292 827</b>	<b>(1 508 553)</b>	<b>1 906 300</b>	<b>(396 233)</b>	<b>43 967 443</b>

#### Reconciliation of provisions - 2016

	Opening Balance	Change in Landfill closure provision	Current service cost	Expected return on plan assets	Interest cost	Actuarial benefits	Total
Environmental rehabilitation	20 573 941	5 561 764	-	-	282 115	-	26 417 820
Long service awards	12 468 597	-	1 218 563	(1 155 216)	964 685	143 102	13 639 731
	<b>33 042 538</b>	<b>5 561 764</b>	<b>1 218 563</b>	<b>(1 155 216)</b>	<b>1 246 800</b>	<b>143 102</b>	<b>40 057 551</b>

Non-current liabilities

32 112 144

37 746 346

Current liabilities

11 855 299

2 311 205

**43 967 443**

**40 057 551**

The municipality operates an unfunded benefit plan for all its employees. Under the plan, a Long-Term Service Award is payable after 10 years of continuous service and every 5 years thereafter to employees.

The employee is granted Long-Service Award in the month that each "Completed Service" milestone is reached.

Working days awarded are valued at 1/250 of annual earnings per day.

The most recent actuarial valuations of plan assets and the present value of the defined benefit obligation were carried out at 30 June 2017 by Arch Actuarial Consulting CC. The present value of the benefit obligation, and the related Current Service Cost and the past service cost, were measured using the Projected Unit Credit Method.

At year end, 464 ( 2016: 465 ) employees were eligible for Long-Term Service Awards

The Current Service Cost for the year ending 30 June 2017 is estimated to be R 1 292 800 , whereas the cost for the ensuing year is estimated to be R1 218 563.

The principal assumption used for the purposes of the actuarial valuations were as follows:

	2017	2016
Discount rate	8,50%	8,61%
General earnings inflation (Long term)	6,32%	7,26%
New effective discount rate	2,05%	1,26%
Expected rate of salary increases	6,32%	6%
Expected Retirement age of males and females	65	65
Pre-retirement mortality	SA 85-90 Mixed Ultimate	

#### Movement of eligible employees

Number of eligible employees	464	465
Average of annual earnings	312 570	283 834
Earnings weighted average age	44.5	44.0
Earning weighted average age past service	11.7	11.3



# Moses Kotane Local Municipality

Annual Financial Statements for the year ended 30 June 2017

## Notes to the Annual Financial Statements

Figures in Rand

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### 14. Provisions (continued)

#### Movement in the present value of the Defined Benefit Obligation were as follows:

Balance at the beginning of the year	13 639 731	12 468 597
Current service cost	1 292 827	1 218 563
Interest cost	1 110 357	964 685
Expected benefits vestings	(1 371 700)	(1 155 216)
Actuarial loss/gain	(533 086)	143 102
<b>Present Value of Fund obligation at the end of the year</b>	<b>14 138 129</b>	<b>13 639 731</b>
Current service cost	1 392 800	1 218 563
Interest cost	1 110 400	964 685
Actuarial loss	(533 086)	143 102
	<b>1 1870 098</b>	<b>2 326 350</b>

#### Rehabilitation of landfill sites

A provision of the final rehabilitation and closure costs for the Madikwe and Mogwase Landfill Sites were done by Environmental and Sustainability Solutions CC.

The principal assumptions used for the purposes of the rehabilitation of the Landfill sites were as follows:

	<b>Mogwase</b>	<b>Madikwe</b>
CPI	5,6372%	5,6372%
Discount rate	8,1372%	8,1372%
Net effective discount rate	2,5%	2,5%

#### The final rehabilitation and closure costs were as follows:

##### Cost Element

##### Planning for closure

Permit application for operation to closure	-	-
Basic assessment for closure	4 935 265	4 935 265
Finalise end-use plan	179 920	179 920
Closure design	171 690	171 690

##### Rehabilitation and closure

Clearing, shaping and compacting	74 606	89 960
Capping	972 814	586 508
Top-soiling and vegetation	508 703	306 696
Storm water control system	99 800	60 169
Leachate seepage control system	272 205	164 112
Passive gas control system	-	-
Fencing	-	657 626

##### Post-closure monitoring and maintenance

Water monitoring	1 107 502	-
Gas monitoring	-	-
Rehabilitation monitoring	120 150	120 150
Maintenance of cover, subsidence and drainage	443 196	443 196
Fire control and vegetation maintenance	244 964	244 964
On-going Leachate management	46 771	46 771
On-going gas management	39 173	39 173
<b>Total cost</b>	<b>9 216 757</b>	<b>8 046 199</b>

#### Amounts to be recognised in the Statement of Financial Position

Landfill closure provision	5 867 487	5 514 250
Interest charge	397 773	398 172

Movement in net liability of the landfill sites were :

##### Madikwe

Balance at the beginning of the year	4 708 523	4 610 842
Change in landfill closure provision	407 556	(184 433)

# Moses Kotane Local Municipality

Annual Financial Statements for the year ended 30 June 2017

## Notes to the Annual Financial Statements

Figures in Rand	2017	2016
<b>14. Provisions (continued)</b>		
Interest charge	398 172	282 114
<b>Balance at the end of the year</b>	<b>5 514 250</b>	<b>4 708 523</b>
<b>Mogwase new landfill site</b>		
Balance at the beginning of the year	4 703 807	-
Change in landfill closure provision	765 908	4 703 807
Interest charge	397 773	-
<b>Balance at the end of the year</b>	<b>5 867 487</b>	<b>4 703 807</b>
<b>Mogwase old landfill site</b>		
Balance at the beginning of the year	17 005 489	15 963 099
Change in landfill closure provision	-	1 042 390
Interest charge	-	-
<b>Balance at the end of the year</b>	<b>17 005 489</b>	<b>17 005 489</b>
<b>Summary of Landfill sites provision</b>		
Balance at the beginning of the year	26 417 819	20 573 941
Change in landfill closure provision	1 173 464	5 561 764
Interest charge	795 945	282 114
<b>Balance at the end of the year</b>	<b>28 387 228</b>	<b>26 417 819</b>
<b>15. Payables from exchange transactions</b>		
Trade payables	39 690 825	22 938 828
Payments received in advanced - contract in process	24 745 047	16 236 389
Other payables	-	59 770
Accrued leave pay	22 675 126	20 218 390
Operating lease payables (if immaterial)	15 500	-
Other creditors #1	1 000 000	-
Retentions	23 849 445	20 365 152
Housing PHP	437 876	410 214
	<b>112 413 819</b>	<b>80 228 743</b>
<b>Fair value of trade and other payables</b>		
<b>16. Revenue</b>		
Service charges	137 776 585	127 220 267
Commissions received	150 758	121 027
Rental income	11 193	26 196
Sale of stands/ land	268 158	9 000
Other income	1 193 436	1 382 784
Interest received - investment	59 950 252	52 207 236
Property rates	107 986 329	97 112 317
Government grants & subsidies	492 715 397	463 233 033
Fines, Penalties and Forfeits	5 648 900	4 642 651
	<b>805 701 008</b>	<b>745 954 511</b>

# Moses Kotane Local Municipality

Annual Financial Statements for the year ended 30 June 2017

## Notes to the Annual Financial Statements

Figures in Rand	2017	2016
<b>16. Revenue (continued)</b>		
<b>The amount included in revenue arising from exchanges of goods or services are as follows:</b>		
Service charges	137 776 585	127 220 267
Commissions received	150 758	121 027
Rental income	11 193	26 196
Sale of stands/land	268 158	9 000
Other income	1 193 436	1 382 784
Interest received - investment	59 950 252	52 207 236
	<b>199 350 382</b>	<b>180 966 510</b>
<b>The amount included in revenue arising from non-exchange transactions is as follows:</b>		
<b>Taxation revenue</b>		
Property rates	107 986 329	97 112 317
<b>Transfer revenue</b>		
Government grants & subsidies	492 715 397	463 233 033
Fines, Penalties and Forfeits	5 648 900	4 642 651
	<b>606 350 626</b>	<b>564 988 001</b>
<b>17. Service charges</b>		
Sale of water	107 999 721	97 070 397
Sewerage and sanitation charges	3 011 444	2 566 959
Refuse removal	26 765 419	27 582 911
	<b>137 776 584</b>	<b>127 220 267</b>
<b>18. Other revenue</b>		
Commissions received	150 758	121 027
Rental income - third party	11 193	26 196
Sale of land/stand	268 158	9 000
Other income	1 193 436	1 382 784
	<b>1 623 545</b>	<b>1 539 007</b>
<b>19. Investment revenue</b>		
<b>Interest revenue</b>		
Bank	9 600 476	10 497 271
Interest charged on trade and other receivables	50 349 776	41 709 966
	<b>59 950 252</b>	<b>52 207 237</b>

# Moses Kotane Local Municipality

Annual Financial Statements for the year ended 30 June 2017

## Notes to the Annual Financial Statements

Figures in Rand	2017	2016
<b>20. Property rates</b>		
<b>Rates received</b>		
Property rates	107 986 329	97 112 317
<b>Valuations</b>		
Residential	1 396 276 600	1 002 635 000
Commercial	234 322 000	292 105 100
Industrial	131 274 000	29 511 200
State	1 113 766 500	1 239 504 401
Churches	14 281 000	14 686 500
Mining	129 954 000	25 277 000
Other holiday resorts	853 743 000	716 290 000
Sun City	45 450 000	33 336 600
Municipal	35 244 000	29 088 500
Farms and tribal land	1 369 984 000	1 259 292 900
Eskom servitudes	24 597 300	16 170 000
Vacant Land	78 548 004	168 873 900
Less: Income forgone	-	(8 265 100)
	<b>5 427 440 404</b>	<b>4 818 506 001</b>
The new general valuation was implemented on 01 July 2016.		
<b>21. Government grants and subsidies</b>		
<b>Operating grants</b>		
Equitable share	333 265 000	322 570 000
Finance management grant	1 625 000	1 600 000
EPWP grant	1 776 810	1 446 000
Refurbishment grant	4 720 677	12 500 000
Municipal System Infrastructure Grant	-	930 000
Mabeskril Library Grant	447 496	952 300
Electricity demand side management	-	226 694
	<b>341 834 983</b>	<b>340 224 994</b>
<b>Capital grants</b>		
Government grant (capital) 1	147 233 625	119 743 936
Government grant (capital) 2	3 646 789	3 264 103
	<b>150 880 414</b>	<b>123 008 039</b>
	<b>492 715 397</b>	<b>463 233 033</b>

# Moses Kotane Local Municipality

Annual Financial Statements for the year ended 30 June 2017

## Notes to the Annual Financial Statements

Figures in Rand	2017	2016
<b>22. Employee related costs</b>		
Basic	106 309 283	101 154 685
Bonus	7 504 319	6 844 333
Medical aid - company contributions	8 640 716	7 489 176
UIF	821 697	781 949
SDL	1 422 010	1 358 555
Other payroll levies	229 374	47 709
Leave pay provision charge	5 358 325	5 329 048
Travel, motor car, accommodation, subsistence and other allowances	776 000	931 974
Overtime payments	8 727 904	6 974 556
Acting allowances	2 432 886	1 459 960
Housing benefits and allowances	876 741	926 913
Standby Allowance	3 310 698	3 057 984
Pension fund company contributions	19 833 520	18 614 490
Cellphone Allowance	1 000	6 000
Shift Allowance	161 828	151 552
	<b>166 406 301</b>	<b>155 128 884</b>

### Remuneration of municipal manager

Annual Remuneration	-	830 280
Car Allowance	-	83 974
Contributions to UIF, Medical and Pension Funds	-	16 910
Amount paid out	-	(931 164)
	-	-

During the period under review the municipal manager position remained vacant. Acting personnel were appointed but retained their primary positions. Their salaries are disclosed below in the primary position.

### Remuneration of chief finance officer

Annual Remuneration	1 030 218	975 027
Contributions to UIF, Medical and Pension Funds	221 371	204 090
Amount paid out	(1 251 589)	(1 179 117)
	-	-

The directors have been paid in accordance of the government Gazzette for the remuneration of public office bearers. As a result of a change in the directors package the medical aid was not adjusted for accordingly. The director was overpaid by R1 907. A debtor has been raised to this extent.

### Remuneration of technical service director

Annual Remuneration	963 692	900 892
Car Allowance	144 000	144 000
Contributions to UIF, Medical and Pension Funds	1 877	1 872
Amount paid out	(1 109 569)	(1 046 764)
	-	-

### Remuneration of corporate services director

Annual Remuneration	850 596	802 111
Car Allowance	60 000	60 000
Contributions to UIF, Medical and Pension Funds	200 198	184 888
Amount paid out	(1 110 794)	(1 046 999)
	-	-

# Moses Kotane Local Municipality

Annual Financial Statements for the year ended 30 June 2017

## Notes to the Annual Financial Statements

Figures in Rand	2017	2016
<b>22. Employee related costs (continued)</b>		
As a result of a change in the directors package the medical aid was not adjusted for accordingly. The director was overpaid by R1 225. A debtor has been raised to this extent.		
<b>Remuneration of community services director</b>		
Annual Remuneration	1 066 565	1 024 391
Contributions to UIF, Medical and Pension Funds	44 640	23 373
Amount paid out	(1 111 205)	(1 047 764)
	-	-
As a result of a change in the directors package the medical aid was not adjusted for accordingly. The director was overpaid by R1 636.49. A debtor has been raised to this extent.		
<b>Remuneration of planning and development director</b>		
Annual Remuneration	877 740	826 226
Car Allowance	72 000	72 000
Contributions to UIF, Medical and Pension Funds	159 870	148 538
Paid out	(1 109 610)	(1 046 764)
	-	-
<b>23. Remuneration of councillors</b>		
Executive Major	524 007	499 069
Deputy Executive Mayor	374 980	372 641
Mayoral Committee Members	2 331 555	3 576 321
Speaker	419 518	411 274
Councillors	18 085 751	15 934 642
	21 735 811	20 793 947
<b>In-kind benefits</b>		
The Mayor, Speaker and Executive Committee Members are full-time. Each is provided with an office and secretarial support at the cost of the Council.		
The Mayor is entitled to stay at the mayoral residence owned by Council at no cost.		
The Mayor and the Deputy Mayor each have the use of separate Council owned vehicles for official duties.		
The cellphone allowance relating to councillors previously classified under general expenses in the prior year has been correctly reclassified to Councillor remuneration.		
<b>24. Contributions to provisions</b>		
Movement in leave and long service awards provisions	(215 726)	1 171 134
Contribution to landfill site provision	1 173 463	1 140 071
	957 737	2 311 205
<b>25. Depreciation and amortisation</b>		
Property, plant and equipment	108 713 281	46 184 542
<b>26. Finance costs</b>		
Non-current borrowings	9 763 783	8 590 181

# Moses Kotane Local Municipality

Annual Financial Statements for the year ended 30 June 2017

## Notes to the Annual Financial Statements

Figures in Rand	2017	2016
<b>27. Debt impairment</b>		
Contributions to debt impairment provision	133 516 136	81 824 437
<b>28. Bulk purchases</b>		
Water	74 354 276	63 209 595
<b>29. Contracted services</b>		
Refusal removal	17 804 752	18 047 666
Security services	20 546 831	14 575 657
	<b>38 351 583</b>	<b>32 623 323</b>
Protective clothing which was previously classified under general expenses in the prior year has been reclassified to contracted services as it qualifies as such.		
<b>30. General expenses</b>		
Accounting fees	4 047 237	2 828 792
Advertising	273 380	98 902
Bank charges	205 896	150 321
Computer expenses	-	36 232
Consulting and professional fees	17 792 496	20 086 006
Consumables	500 615	702 466
Delivery expenses	253 438	248 614
Entertainment	5 249 900	3 611 508
Insurance	1 016 484	1 038 451
Community development and training	5 412 532	5 516 215
Conferences and seminars	1 535 556	1 277 364
Fleet	7 630 407	5 567 046
Magazines, books and periodicals	33 592	5 065
Motor vehicle expenses	4 506 238	4 164 073
Postage and courier	101 577	96 529
Printing and stationery	4 289 149	2 263 644
Security (Guarding of municipal property)	26 582	-
Software expenses	51 411 104	17 168 644
Staff welfare	697 609	1 251 389
Subscriptions and membership fees	1 927 031	1 846 233
Telephone and fax	11 567 164	11 441 077
Training	7 236 370	5 212 025
Travel - local	2 247 022	3 135 403
Electricity	12 431 401	9 594 975
Sewerage and waste disposal	(242 332)	-
Water	270 506	391 298
General expenses	23 733 229	26 144 095
Supply of indigent services	27 196 710	39 010 320
Chemicals	553 616	55 767
Hostel charges	12 299 313	-
	<b>204 203 822</b>	<b>162 942 454</b>

# Moses Kotane Local Municipality

Annual Financial Statements for the year ended 30 June 2017

## Notes to the Annual Financial Statements

Figures in Rand	2017	2016
<b>31. Cash generated from operations</b>		
(Deficit) surplus	(13 926 308)	123 296 883
<b>Adjustments for:</b>		
Depreciation and amortisation	108 713 281	46 184 542
Gain on sale of assets and liabilities	3 035 017	616 892
Fair value adjustments	(396 233)	-
Debt impairment	133 516 136	81 824 437
Movements in provisions	3 909 892	2 311 205
Interest income	8 321 696	8 590 181
<b>Changes in working capital:</b>		
Inventory	547 315	7 562 884
Receivables from exchange transactions	509 727	678 546
Consumer debtors	(142 016 673)	33 431 404
Other receivables from non-exchange transactions	367 005	(1 257 655)
Prepayments	(522 576)	-
Payables from exchange transactions	32 185 072	1 672 490
VAT	(47 500 774)	(4 696 785)
Unspent conditional grants and receipts	(1 670 083)	12 087 966
	<b>85 072 494</b>	<b>312 302 990</b>
<b>32. Commitments</b>		
<b>Authorised capital expenditure</b>		
<b>Already contracted and not provided for</b>		
• Commitments	49 909 663	14 441 346
<b>Total capital commitments</b>		
Already contracted for but not provided for	49 909 663	14 441 346

This committed expenditure relates to property and will be financed by available bank facilities, retained surpluses and applicable grants.



# Moses Kotane Local Municipality

Annual Financial Statements for the year ended 30 June 2017

## Notes to the Annual Financial Statements

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### 33. Contingencies

#### 1. Fencecor Construction

Fencecor Construction was a sub-contractor for construction of the new Mogwase Waste Disposal Site. Fencecor is suing the Municipality for payment of R 2 842 111 which flows from a cession/direct payment agreement between the main contractor, Fencecor and the Municipality.

The Municipality is defending the matter since maximum amount of cession has already been paid and exceeded. The case is currently in Court and we are awaiting finalisation and verdict.

Case handled by Van Rooyen, Thlape, Wessels Attorneys in Mafikeng.

#### 2. R&T Developers / Alert Steel

R&T Developers is a sub-contractor for construction of low cost housing in Unit 8 Mogwase. R&T is suing the Municipality for payment flowing from a cession/direct payment agreement between the main contractor, R&T and the Municipality for the amount of R 3 753 079.

The Municipality defended the matter based on the main contractor's contention that R&T is misrepresenting the true facts of the matter and relying on a wrong cession document. A meeting between the contractor and sub-contractor was held where the documents were exchanged. The correct document indicates that the Municipality is not indebted to R&T Developers. The Municipality have filed its plea in this matter and is awaiting R&T Developers to move.

The case is handled by Sakkie Smith Attorneys in Mogwase.

#### 3. Transnet

Transnet is being sued for damages and compensation for pain and suffering by a motorist who's car was hit by a train at the railway crossing in Mogwase to the amount of R 5 510 000. Transnet has filed an application at Court to join the Municipality as a respondent to share in the financial liabilities if Transnet should be found to be liable.

The Municipality is defending the matter since all required responsibilities and requirements had been taken care of and set in place at the railway crossing in Mogwase. An investigation by an independent investigator found that the vehicle of the motorist was properly maintained and that brake failure caused the accident (See memo of Adv. Jacobsz). The Municipality is awaiting trial date in this matter.

The case is handled by Sakkie Smith Attorneys in Mogwase.

#### 4. NWDC

The Municipality is in dispute with NWDC regarding payment of property rates. NWDC owes the Municipality in excess of R 15 Million from July 2002. In return NWDC claims compensation from the Municipality for infrastructure installed in Bodirelo in the 1980's to the amount of R 18 Million as well as arrear rental amounts for office accommodation in Bodirelo. The matter was referred to Provincial and National Treasury for mediation and possible arbitration.

The Municipality have reached an agreement with NWDC whereby mutual payment by the parties for their respective dues will start on 1 October 2014. The parties are currently paying their respective dues.

The arrear amounts due still needs to be resolved and the parties will consider all options, including high level political intervention and arbitration.

#### 5. Sitona Mining

Sitona Mining is a sub-contractor of Lefika La Thaba, a contractor that was appointed by the Municipality. Sitona is claiming an amount of R 463 525 plus interest and costs because they allege that the Municipality did not honour the direct payment agreement signed between all the parties.

# Moses Kotane Local Municipality

Annual Financial Statements for the year ended 30 June 2017

## Notes to the Annual Financial Statements

Figures in Rand	2017	2016
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### 33. Contingencies (continued)

#### 6. Van Heerden Construction

Van Heerden Construction is a sub-contractor of Lefika La Thaba, a contractor that was appointed by the Municipality. Van Heerden is claiming R 1 078 782. Van Heerden obtained a Court order and Writ of execution against Lefika La Thaba, Dr. Mokgothu, the owner of Lefika La Thaba as well as the Municipality.

It was established that the Municipality has an amount of R 833 000 left on the project. The amount was paid over to the trust account of Sakkie Smith Attorneys for safekeeping pending finalisation of the matter. The trial date for this matter had been set for 25 August 2016 in the High Court, Mmabatho.

The case is handled by Sakkie Smith Attorneys in Mogwase.

Unfilled conditions and other contingencies attaching to government grants related to agricultural activity.

#### 7. Bofaganang Women's Swimming

Bofaganang is a non-profit organisation who is doing various projects in and around the Municipality. They apply for and obtain funding from the Lotteries Board.

One such project in Tweelaagte was funded by the Lotteries Board but the money was paid into the bank account of the Municipality. The money was kept and not paid out for about 3 years. When it was eventually paid out and the necessary admin fees deducted, Bofaganang found a shortfall in the funds to the amount of R 549 314.

Bofaganang is now claiming the shortfall from the Municipality due to the delay in paying out their funds.

No legal action

#### 8. Tsholofelo Moloi

Disciplinary action was instituted against Ms. Moloi and she was sanctioned with a written warning. The Municipality took the matter on review to the Labour Court and still awaiting date for hearing.

Ms. Moloi referred the matter to the SALGBC who ruled in her favour. She is to be reinstated with immediate effect and be paid compensation in the amount of R 314 623 for the unfair suspension.

The court hearing was held on the 20th of July 2017.

#### 9. Casper Jacobs Construction

The contractor is claiming R 968 621 on three different projects from the Municipality. The Municipality is of the view that the claims have prescribed and entered a plea to this effect.

The case is handled by Sakkie Smith Attorneys in Mogwase.

### 34. Prior period errors

In the prior year the depreciation for infrastructure was incorrectly calculated taking only the depreciation of one month into consideration rather than one year. The depreciation has been corrected as indicated below.

Additional buildings which existed previously were noted as a result of unbundling of assets.

There is a significant decrease in the infrastructure as a result of the derecognition of unpaved and gravel roads.

There was a decrease in other assets with related primarily to moveables. This was as a result of various factors such as the reclassification of intangible assets which were incorrectly capitalised in the prior year back into the Work In Progress.

# Moses Kotane Local Municipality

Annual Financial Statements for the year ended 30 June 2017

## Notes to the Annual Financial Statements

Figures in Rand

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### 34. Prior period errors (continued)

The increase in employee costs is as a result of grievances raised by employees relating to remuneration due in the prior year and in some cases before the 2016 financial year. The employee costs settled relate to the basic salary, the acting allowance, overtime and medical aid. The grievances have been fully settled in the current year. Some of the expenses relating to the grievances relate to financial periods prior to the 2016 financial year and the impact of the adjustment is reflected in the opening retained earnings.

In the prior year the balance for refuse and for sanitation were incorrectly swapped around. This error had no impact on the overall balance relating to consumer debtors. The prior year figures have been restated to reflect the correct balances in the prior year. Refer to note 9.

It was noted during the current financial period that not all expenses were accrued for in the prior period. These expenses relate to bulk water purchases and well as other general expenses. Creditors have been restated accordingly taking these costs as well as the employee costs mentioned above into consideration.

The correction of the errors results in adjustments as follows:

#### Statement of financial position

Decrease in Land & Buildings	(190 800)
Increase in buildings	70 432
Decrease infrastructure	(175 372 431)
Decrease in trade receivables	234 567
Decrease in community assets	(100 136 663)
Increase in trade payables	2 010 156

#### Statement of Financial Performance

Increase in employee costs	288 700
Increase in repairs and maintenance	500 190
Decrease in contribution to provision	(4 703 807)
Increase in depreciation	456 789
Increase/ decrease in debt impairment	654 898
Increase in bulk water purchases	3 717
Decrease in general expenses	(2 270 516)

#### Cash flow statement

##### Cash flow from operating activities

Increase in revenue from non-exchange transactions	4 642 650
Decrease in revenue from exchange transactions	(4 642 650)
Increase in employee costs	336 960
	<u>673 920</u>

### 35. Risk management

#### Financial risk management

The municipality's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

The municipality's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the municipality's financial performance. The municipality uses derivative financial instruments to hedge certain risk exposures. Risk management is carried out by a central treasury department (entity treasury) under policies approved by the accounting officer. Municipality treasury identifies, evaluates and hedges financial risks in close co-operation with the municipality's operating units. The accounting officer provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

# Moses Kotane Local Municipality

Annual Financial Statements for the year ended 30 June 2017

## Notes to the Annual Financial Statements

Figures in Rand	2017	2016
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### 35. Risk management (continued)

#### Liquidity risk

Liquidity risk is the risk that the municipality will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

The municipality's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the municipality's reputation.

Liquidity risk management by ensuring that all assets are reinvested at maturity at competitive interest rates in relation to cash flow requirements. Liabilities are managed by ensuring that all contractual payments met on a timeous basis and, if required, additional new arrangements are established at competitive rates to ensure that cashflow requirements are met.

The municipality's risk to liquidity is a result of the funds available to cover future commitments. The municipality manages liquidity risk through an ongoing review of future commitments and credit facilities.

The municipality's risk to liquidity is a result of the funds available to cover future commitments. The municipality manages liquidity risk through an ongoing review of future commitments and credit facilities.

#### Credit risk

Credit risk consists mainly of cash deposits, cash equivalents, derivative financial instruments and trade debtors. The municipality only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party.

Trade receivables comprise a widespread customer base. Management evaluated credit risk relating to customers on an ongoing basis. If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the board. The utilisation of credit limits is regularly monitored. Sales to retail customers are settled in cash or using major credit cards. Credit guarantee insurance is purchased when deemed appropriate.

#### Market risk

##### Interest rate risk

Interest rate risk is defined as that fair value of future cashflows associated with a financial instrument will fluctuate in amount as a result of market interest changes.

Financial assets liabilities that are sensitive to interest rate risk are cash and cash equivalents investments, and loan payables. The municipality is not exposed to interest rate risk on these financial instruments as the rates applicable are fixed interest rates.

Potential concentration of interest rate risk consist mainly of variable rate deposit investments, long term receivables, consumer debtors, other debtors, bank and cash balances.

The municipality limits its counter party exposures from its money market investment operations by only dealing with well established financial institutions of high credit standing. No investment with a tenure exceeding twelve months shall be made.

### 36. Unauthorised expenditure

Opening balance	-	6 291 848
less Amounts condoned before re-instatement	-	(6 291 848)
	-	-

# Moses Kotane Local Municipality

Annual Financial Statements for the year ended 30 June 2017

## Notes to the Annual Financial Statements

Figures in Rand	2017	2016
<b>37. Fruitless and wasteful expenditure</b>		
Opening balance	8 966 252	10 112 683
Current year fruitless and wasteful expenditure	20 000	72 254
less: Amounts recoverable (not condoned)	-	(1 218 685)
	<u>8 986 252</u>	<u>8 966 252</u>
<b>38. Irregular expenditure</b>		
Opening balance	349 781 910	296 872 958
Add: Irregular Expenditure - current year	71 676 595	52 908 952
	<u>421 458 505</u>	<u>349 781 910</u>
<b>Analysis of expenditure awaiting condonation per age classification</b>		
Current year	71 676 595	52 908 952
Prior years	349 781 910	296 872 958
	<u>421 458 505</u>	<u>349 781 910</u>
<b>Details of irregular expenditure – current year</b>		-
<b>39. Additional disclosure in terms of Municipal Finance Management Act</b>		
<b>PAYE and UIF</b>		
Opening balance	25 048 311	24 469 609
Amount paid - current year	(25 048 311)	(24 469 609)
	<u>-</u>	<u>-</u>
<b>Pension and Medical Aid Deductions</b>		
Opening balance	30 556 235	26 025 100
Amount paid - current year	(30 556 235)	(26 025 100)
	<u>-</u>	<u>-</u>
<b>VAT</b>		
VAT receivable	<u>62 134 028</u>	<u>14 633 254</u>

All value added tax returns have been submitted by the due date throughout the year.

# Moses Kotane Local Municipality

Annual Financial Statements for the year ended 30 June 2017

## Notes to the Annual Financial Statements

Figures in Rand	2017	2016
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### 39. Additional disclosure in terms of Municipal Finance Management Act (continued)

#### Councillors' arrear consumer accounts

The following Councillors had arrear accounts outstanding for more than 90 days as at 30 June 2017:

30 June 2017	Outstanding less than 90 days R	Outstanding more than 90 days R	Total R
Councillor M Rosina	3 218	33 160	36 378
Councillor Mogapi	3 471	44 036	47 507
Councillor CN Motshabi	489	1 347	1 836
Councillor MZ Motsoenyane	1 952	188	2 140
Councillor MR Moeng	-	85	85
Councillor MS Mabitsela	793	9 286	10 079
Councillor RA Diale	50 181	5 576	55 757
Councillor JM Segale	1 014	5 136	6 150
Councillor KJ Sekomeng	773	4 940	5 713
	<b>61 891</b>	<b>103 754</b>	<b>165 645</b>

30 June 2016	Outstanding less than 90 days R	Outstanding more than 90 days R	Total R
Councillor M Mondzaba	1 074	29 077	30 151
Councillor J Maretele	2 636	22 477	25 113
Councillor S Motlhaga	750	2 712	3 462
Councillor J Setou	803	13 988	14 791
Councillor L M Nshite	1 090	16 175	17 265
Councillor C Motshabi	492	5 679	6 171
Councillor J Selotlego	145	2 025	2 170
Councillor M Monyatsi	765	10 217	10 982
	<b>7 755</b>	<b>102 350</b>	<b>110 105</b>

### 40. Deviation from supply chain management regulations

Paragraph 12(1)(d)(i) of Government gazette No. 27636 issued on 30 May 2005 states that a supply chain management policy must provide for the procurement of goods and services by way of a competitive bidding process.

Paragraph 36 of the same gazette states that the accounting officer may dispense with the official procurement process in certain circumstances, provided that he records the reasons for any deviations and reports them to the next meeting of the and includes a note to the annual financial statements.

In line with regulation 36 of the municipal supply chain management the municipality has incurred deviation to the value of R16 426 327 which were submitted to the council for noting. The municipality has been complying with regulation 36 and has kept the register for all deviations recorded for the year.

## Appendix A

### Schedule of external loans as at 30 June 2010

Loan Number	Balance at 30 June 2016	Received during the period	Redeemed written off during the period	Balance at 30 June 2017	Carrying Value of Property, Plant & Equip
	Rand	Rand	Rand	Rand	Rand
<b>Loan Stock</b>					
8065717250	1 182 926	-	-	1 182 926	-
Mayoral House	8 768 499	-	1 301 744	7 466 755	-
Civic centre Extension 3	9 951 425	-	1 301 744	8 649 681	-
<b>Development Bank of South Africa</b>					
Roads and stormwater	5 755 921	-	470 359	5 285 562	-
Street lighting - Sun City	4 674 985	-	384 839	4 290 146	-
Water	2 359 310	-	384 227	1 975 083	-
	17 527 108	-	1 736 453	15 790 655	-
	30 317 324	-	2 975 878	27 341 446	-
<b>INCA</b>					
Civic Centre	3 256 300	-	2 096 864	1 159 436	-
Civic Centre Extension 1	7 850 084	-	1 095 500	6 754 584	-
Civic Centre Extension 2	8 024 721	-	363 281	7 661 440	-
INCA Paypoints (Community Halls)	2 285 101	-	170 574	2 114 527	-
	21 416 206	-	3 726 219	17 689 987	-
<b>Lease liability</b>					
Transport	99 607	-	43 443	56 164	-
Transport	99 607	-	43 443	56 164	-
Transport	99 607	-	43 443	56 164	-
Transport	99 607	-	43 443	56 164	-
Transport	99 607	-	43 443	56 164	-
Transport	99 607	-	43 443	56 164	-
Transport	99 607	-	43 443	56 164	-
Transport	99 647	-	43 461	56 186	-

## Appendix A

### Schedule of external loans as at 30 June 2010

Loan Number	Balance at 30 June 2016	Received during the period	Redeemed written off during the period	Balance at 30 June 2017	Carrying Value of Property, Plant & Equip	Rand
	Rand	Rand	Rand	Rand	Rand	Rand
Transport						
84314850	159 285	-	69 471	89 814	-	-
84314906	99 647	-	43 461	56 186	-	-
84314981	107 222	-	46 764	60 458	-	-
84315023	159 285	-	69 471	89 814	-	-
84315180	159 285	-	69 471	89 814	-	-
84315210	179 979	-	78 497	101 482	-	-
84315317	99 647	-	43 461	56 186	-	-
84315392	159 285	-	69 471	89 814	-	-
84315422	99 647	-	43 461	56 186	-	-
84315520	99 647	-	43 461	56 186	-	-
84315597	99 647	-	43 461	56 186	-	-
84315759	99 647	-	43 461	56 186	-	-
84315830	99 647	-	43 461	56 186	-	-
84315937	99 647	-	43 461	56 186	-	-
84316038	99 647	-	43 461	56 186	-	-
84316437	99 647	-	43 461	56 186	-	-
<b>Total external loans</b>	<b>2 717 707</b>	<b>-</b>	<b>1 185 317</b>	<b>1 532 390</b>	<b>-</b>	<b>-</b>
Loan Stock	9 951 425	-	1 301 744	8 649 681	-	-
Development Bank of South Africa	30 317 324	-	2 975 878	27 341 446	-	-
INCA	21 416 206	-	3 726 219	17 689 987	-	-
Lease liability	2 717 707	-	1 185 317	1 532 390	-	-
	<b>64 402 662</b>	<b>-</b>	<b>9 189 158</b>	<b>55 213 504</b>	<b>-</b>	<b>-</b>



## Appendix B

### Analysis of property, plant and equipment as at 30 June 2017 Accumulated depreciation

#### Cost/Revaluation

	Opening Balance Rand	Additions Rand	Derogation Rand	Asset exchange Rand	WIP Commissioned Rand	Other changes, movements Rand	Closing Balance Rand	Opening Balance Rand	Derogation Rand	Asset exchange Rand	Depreciation Rand	Impairment loss Rand	Closing Balance Rand	Carrying value Rand
<b>Land and buildings</b>														
Land	24 031 449	1 040 800	(919 100)	-	-	-	24 152 949	-	-	-	-	-	-	24 152 949
Work in progress	9 205 549	-	-	-	-	-	9 205 549	-	-	-	-	-	-	9 205 549
Buildings	28 399 088	-	-	-	-	-	28 399 088	7 271 341	966 000	-	-	-	8 237 341	36 636 429
	<b>61 636 086</b>	<b>1 040 800</b>	<b>(919 100)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>61 757 586</b>	<b>7 271 341</b>	<b>966 000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>8 237 341</b>	<b>69 994 927</b>
<b>Infrastructure</b>														
Roads, Pavements & Bridges	622 711 358	25 139 006	(79 575 991)	-	-	-	568 274 373	(345 407 242)	-	-	(31 028 548)	-	(376 433 790)	191 840 583
Street lighting	69 478 334	-	(4 300 795)	-	-	-	65 177 539	(10 075 143)	-	-	(2 777 246)	-	(12 852 389)	52 325 150
Water reticulation	374 898 358	129 455	(248 274)	-	-	-	374 779 539	(179 199 530)	-	-	(18 812 208)	(38 131)	(198 049 869)	176 729 670
Water boreholes	45 081 577	1 233 971	(588 356)	-	-	-	45 747 192	(27 227 415)	-	-	(4 050 253)	(4 240 161)	(35 517 829)	10 229 363
Water pump station	4 407 290	-	-	-	-	-	4 407 290	(3 266 978)	-	-	(143 472)	-	(3 410 450)	996 840
Water reservoir	82 756 137	55 649	(5 393)	-	-	-	82 806 393	(38 458 952)	-	-	(2 088 486)	-	(40 547 440)	42 258 953
Water bulk pipelines	208 269 829	165 980	(131 505)	-	-	-	208 269 829	(156 203 810)	-	-	(4 000 254)	-	(160 204 064)	48 065 765
Water treatment works	14 649 989	-	-	-	-	-	14 649 989	(7 162 311)	-	-	(592 463)	-	(7 754 774)	6 895 680
Stormwater	5 060 179	-	-	-	-	-	5 060 179	(232 545)	-	-	(2 185 544)	-	(449 089)	4 611 090
Sewerage mains & Purification plant	73 790 045	-	(9 004 223)	-	-	-	64 785 822	(40 904 263)	-	-	(2 185 461)	-	(43 089 744)	21 686 078
Refuse disposal site	44 683 649	-	-	-	-	-	44 683 649	(4 072 392)	-	-	(6 962 493)	-	(11 034 825)	33 648 824
	<b>1 545 766 725</b>	<b>26 724 071</b>	<b>(93 834 537)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1 478 676 259</b>	<b>(812 210 541)</b>	<b>-</b>	<b>-</b>	<b>(72 865 430)</b>	<b>(4 278 282)</b>	<b>(889 354 263)</b>	<b>589 321 996</b>
<b>Community Assets</b>														
Parks & gardens	6 258 668	-	-	-	-	-	6 258 668	(2 667 086)	-	-	(502 352)	-	(3 169 438)	3 089 230
Civic building	87 778 385	10 823 834	(1 184 487)	-	-	-	97 417 732	(18 436 351)	-	-	(6 288 583)	(3 254 972)	(27 959 906)	69 457 826
Library	4 177 110	-	-	-	-	-	4 177 110	(1 327 241)	-	-	(157 041)	-	(1 484 282)	2 692 828
Recreational grounds	28 089 989	-	(281 849)	-	-	-	27 808 140	(11 006 110)	-	-	(1 428 512)	-	(12 434 622)	15 383 528
Cemeteries	6 391 949	-	-	-	-	-	6 391 949	(1 906 837)	-	-	(315 753)	-	(2 222 590)	4 169 359
	<b>132 706 111</b>	<b>10 823 834</b>	<b>(1 466 336)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>142 063 609</b>	<b>(35 343 825)</b>	<b>-</b>	<b>-</b>	<b>(8 672 241)</b>	<b>(3 254 972)</b>	<b>(47 270 838)</b>	<b>94 792 771</b>

## Appendix B

### Analysis of property, plant and equipment as at 30 June 2017 Cost/Revaluation Accumulated depreciation

	Opening Balance Rand	Additions Rand	Derecognition Rand	Asset exchange Rand	WIP Commissioned Rand	Other changes, movements Rand	Closing Balance Rand	Opening Balance Rand	Derecognition Rand	Asset exchange Rand	Depreciation Rand	Impairment loss Rand	Closing Balance Rand	Carrying value Rand
<b>Heritage assets</b>														
Sculpture	14 000	-	-	-	-	-	14 000	-	-	-	-	-	-	14 000
	<b>14 000</b>						<b>14 000</b>							<b>14 000</b>
<b>Other assets</b>														
Furniture and fittings	13 631 159	1 053 345	(354 384)	-	-	-	14 330 120	(5 283 325)	225 007	-	(1 577 644)	(82 579)	(6 718 541)	7 671 579
Motor vehicles	60 901 513	7 011 290	(2 954 981)	-	-	-	64 957 922	(30 084 287)	1 265 084	-	(5 416 315)	(227 068)	(34 462 586)	30 495 336
Leased Motor vehicles	5 452 977	-	-	-	-	-	5 452 977	(2 843 960)	-	-	(609 147)	-	(3 453 107)	1 999 870
Plant and equipment	7 749 719	1 409 614	(1 026 002)	-	-	-	8 133 331	(5 103 765)	787 092	-	(677 345)	(120 194)	(5 114 212)	3 019 119
Office equipment	39 621 682	208 766	(3 727 183)	936 397	-	-	37 037 662	(18 882 003)	2 685 249	-	(5 187 713)	(11 743)	(21 396 210)	15 641 452
	<b>127 417 050</b>	<b>9 681 015</b>	<b>(8 062 450)</b>	<b>936 397</b>	<b>-</b>	<b>-</b>	<b>129 972 012</b>	<b>(62 197 340)</b>	<b>4 982 432</b>	<b>-</b>	<b>(13 468 164)</b>	<b>(441 584)</b>	<b>(71 144 856)</b>	<b>58 827 356</b>

## Appendix B

### Analysis of property, plant and equipment as at 30 June 2017 Cost/Revaluation

#### Accumulated depreciation

	Opening Balance Rand	Additions Rand	Derecognition Rand	Asset exchange Rand	WIP Commissioned Rand	Other changes, movements Rand	Closing Balance Rand	Opening Balance Rand	Derecognition Rand	Asset exchange Rand	Depreciation Rand	Impairment loss Rand	Closing Balance Rand	Carrying value Rand
<b>Total property plant and equipment</b>														
Land and buildings	61 638 086	1 040 800	(919 100)	-	-	-	61 757 586	7 271 341	966 000	-	-	-	8 237 341	69 984 927
Infrastructure	1 545 786 725	26 724 071	(93 834 537)	-	-	-	1 478 676 259	(812 210 541)	-	-	(72 865 430)	(4 278 292)	(889 354 263)	589 321 996
Community Assets	132 706 111	10 823 834	(1 466 336)	-	-	-	142 063 609	(35 343 625)	-	-	(8 672 241)	(3 254 972)	(47 270 838)	94 792 771
Heritage assets	14 000	-	-	-	-	-	14 000	-	-	-	-	-	-	14 000
Other assets	127 417 050	9 681 015	(8 062 450)	936 397	-	-	129 972 012	(62 197 340)	4 962 432	-	(13 468 164)	(441 584)	(71 144 656)	58 827 358
	<b>1 867 559 972</b>	<b>48 269 520</b>	<b>(104 282 423)</b>	<b>936 397</b>	<b>-</b>	<b>-</b>	<b>1 812 483 466</b>	<b>(902 480 166)</b>	<b>5 928 432</b>	<b>-</b>	<b>(95 005 835)</b>	<b>(7 974 848)</b>	<b>(999 532 416)</b>	<b>812 951 050</b>
<b>Intangible assets</b>														
Computers - software & programming	19 570 600	3 080 000	-	-	6 728 000	-	29 378 600	(8 402 020)	-	-	(8 228 018)	-	(12 630 038)	16 748 562
	<b>19 570 600</b>	<b>3 080 000</b>	<b>-</b>	<b>-</b>	<b>6 728 000</b>	<b>-</b>	<b>29 378 600</b>	<b>(8 402 020)</b>	<b>-</b>	<b>-</b>	<b>(8 228 018)</b>	<b>-</b>	<b>(12 630 038)</b>	<b>16 748 562</b>
<b>Total</b>														
Land and buildings	61 638 086	1 040 800	(919 100)	-	-	-	61 757 586	7 271 341	966 000	-	-	-	8 237 341	69 984 927
Infrastructure	1 545 786 725	26 724 071	(93 834 537)	-	-	-	1 478 676 259	(812 210 541)	-	-	(72 865 430)	(4 278 292)	(889 354 263)	589 321 996
Community Assets	132 706 111	10 823 834	(1 466 336)	-	-	-	142 063 609	(35 343 625)	-	-	(8 672 241)	(3 254 972)	(47 270 838)	94 792 771
Heritage assets	14 000	-	-	-	-	-	14 000	-	-	-	-	-	-	14 000
Other assets	127 417 050	9 681 015	(8 062 450)	936 397	-	-	129 972 012	(62 197 340)	4 962 432	-	(13 468 164)	(441 584)	(71 144 656)	58 827 358
Intangible assets	19 570 600	3 080 000	-	-	6 728 000	-	29 378 600	(8 402 020)	-	-	(8 228 018)	-	(12 630 038)	16 748 562
	<b>1 867 130 572</b>	<b>51 349 520</b>	<b>(104 282 423)</b>	<b>936 397</b>	<b>6 728 000</b>	<b>-</b>	<b>1 841 862 056</b>	<b>(908 882 185)</b>	<b>5 928 432</b>	<b>-</b>	<b>(101 233 853)</b>	<b>(7 974 848)</b>	<b>(1 012 162 454)</b>	<b>829 699 612</b>

## Appendix B

### Analysis of property, plant and equipment as at 30 June 2016 Cost/Revaluation Accumulated depreciation

	Opening Balance Rand	Additions Rand	Disposals Rand	Transfers Rand	Revaluations Rand	Other changes, movements Rand	Closing Balance Rand	Opening Balance Rand	Disposals Rand	Transfers Rand	Depreciation Rand	Impairment loss Rand	Closing Balance Rand	Carrying value Rand
<b>Land and buildings</b>														
Land	13 026 149	-	-	11 005 300	-	-	24 031 449	-	-	-	-	-	-	24 031 449
Work in progress	9 205 549	-	-	-	-	-	9 205 549	-	-	-	-	-	-	9 205 549
Buildings	28 399 088	-	-	-	-	-	28 399 088	(7 577 231)	-	-	(74 486)	(256 713)	(7 908 430)	20 490 658
	<b>50 630 786</b>	<b>-</b>	<b>-</b>	<b>11 005 300</b>	<b>-</b>	<b>-</b>	<b>61 636 086</b>	<b>(7 577 231)</b>	<b>-</b>	<b>-</b>	<b>(74 486)</b>	<b>(256 713)</b>	<b>(7 908 430)</b>	<b>53 727 656</b>
<b>Infrastructure</b>														
Roads, Pavements & Bridges	486 361 997	77 202 488	-	-	-	-	563 564 485	(305 548 569)	-	-	(15 272 541)	(3 082)	(320 824 172)	242 740 313
Street lighting	37 568 016	-	-	-	-	-	37 568 016	(10 863 856)	-	-	(213 310)	-	(11 097 166)	26 470 850
Water Retention	356 473 857	7 042 568	-	-	-	-	363 516 425	(189 995 793)	-	-	(1 448 374)	-	(171 444 167)	192 072 258
Water boreholes	39 472 841	20 048 474	(188 967)	-	-	-	59 322 348	(26 048 108)	170 799	-	(2 293 541)	(1 081 715)	(29 252 585)	30 069 783
Water Pump station	4 386 025	-	-	-	-	-	4 386 025	(3 163 990)	-	-	(43 661)	-	(3 207 671)	1 188 354
Water Reservoir	79 247 207	49 110	(59 125)	-	-	-	79 237 192	(32 316 469)	31 043	-	(312 815)	(229 303)	(33 027 544)	46 209 648
Water Bulk Pipelines	208 669 829	-	(400 000)	-	-	-	208 269 829	(140 227 847)	314 714	-	(755 218)	-	(140 668 351)	67 601 478
Water Treatment Works	10 154 796	5 219 275	-	-	-	-	15 374 071	(6 258 289)	-	-	(316 847)	-	(6 575 136)	8 798 935
Stormwater	2 675 894	3 106 943	-	-	-	-	5 782 837	(148 506)	-	-	(99 051)	-	(247 557)	5 535 080
Sewage Mains & Purification Plant	73 050 666	48 479	-	-	-	-	73 099 145	(40 370 845)	-	-	(312 760)	-	(40 683 605)	32 415 540
Refuse Disposal Site	36 194 572	10 055 398	-	-	-	-	46 249 970	(17 254 705)	-	-	(68 007)	-	(17 322 712)	28 927 258
Work In Progress	241 009 335	15 425 051	-	(29 514 380)	-	-	226 920 006	(17 254 705)	-	-	-	-	-	209 665 301
	<b>1 575 274 835</b>	<b>138 197 766</b>	<b>(658 092)</b>	<b>(29 514 380)</b>	<b>-</b>	<b>-</b>	<b>1 683 300 149</b>	<b>(732 216 977)</b>	<b>516 556</b>	<b>-</b>	<b>(21 336 146)</b>	<b>(1 314 080)</b>	<b>(774 350 646)</b>	<b>908 949 503</b>
<b>Community Assets</b>														
Parks & gardens	6 258 668	24 978 982	-	-	-	-	31 237 650	(2 652 963)	-	-	(12 676)	-	(2 665 639)	28 572 011
Civic building	58 348 376	-	-	-	-	-	58 348 376	(17 964 988)	-	-	(539 703)	-	(18 504 697)	39 843 679
Library	4 124 932	-	-	-	-	-	4 124 932	(1 311 435)	-	-	(10 366)	-	(1 321 823)	2 803 109
Recreational grounds	21 269 934	-	-	-	-	-	21 269 934	(9 540 716)	-	-	(49 444)	-	(9 590 160)	11 679 774
Cemeteries	7 381 188	166 838	-	-	-	-	7 548 026	(2 503 355)	-	-	(19 035)	-	(3 008 620)	4 539 386
Work in progress	64 758 851	4 157 895	-	(6 280 449)	-	-	62 636 297	-	-	-	-	-	-	62 636 297
	<b>162 161 929</b>	<b>29 303 715</b>	<b>-</b>	<b>(6 280 449)</b>	<b>-</b>	<b>-</b>	<b>185 185 195</b>	<b>(33 973 457)</b>	<b>-</b>	<b>-</b>	<b>(631 252)</b>	<b>(486 230)</b>	<b>(35 090 939)</b>	<b>150 094 256</b>

## Appendix B

### Analysis of property, plant and equipment as at 30 June 2016 Cost/Revaluation Accumulated depreciation

	Opening Balance Rand	Additions Rand	Disposals Rand	Transfers Rand	Revaluations Rand	Other changes, movements Rand	Closing Balance Rand	Opening Balance Rand	Disposals Rand	Transfers Rand	Depreciation Rand	Impairment loss Rand	Closing Balance Rand	Carrying value Rand
<b>Heritage assets</b>														
Sculpture	14 000	-	-	-	-	-	14 000	-	-	-	-	-	-	14 000
	<b>14 000</b>						<b>14 000</b>							<b>14 000</b>
<b>Other assets</b>														
Furniture and Fittings	9 401 742	4 289 415	-	-	-	-	13 691 157	(3 876 212)	-	-	(1 607 113)	-	(5 283 325)	8 407 832
Motor vehicles	49 807 395	12 302 181	(1 208 063)	-	-	-	60 901 513	(23 978 596)	-	-	(6 105 691)	-	(30 084 287)	30 817 226
Leased motor vehicles	5 452 977	-	-	-	-	-	5 452 977	(1 979 598)	-	-	(864 372)	-	(2 843 960)	2 609 017
Office equipment	38 437 563	1 184 120	-	-	-	-	39 621 683	(1 714 076)	-	-	(7 167 926)	-	(18 882 002)	20 739 661
Plant & Equipment	7 035 684	714 035	-	-	-	-	7 749 719	(4 464 887)	-	-	(638 878)	-	(5 103 765)	2 645 954
	<b>110 135 361</b>	<b>18 489 751</b>	<b>(1 208 063)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>127 417 049</b>	<b>(45 813 359)</b>	<b>-</b>	<b>-</b>	<b>(16 383 980)</b>	<b>-</b>	<b>(62 197 339)</b>	<b>65 219 710</b>

## Appendix B

### Analysis of property, plant and equipment as at 30 June 2016 Cost/Revaluation

#### Accumulated depreciation

	Opening Balance Rand	Additions Rand	Disposals Rand	Transfers Rand	Revaluations Rand	Other changes, movements Rand	Closing Balance Rand	Opening Balance Rand	Disposals Rand	Transfers Rand	Depreciation Rand	Impairment loss Rand	Closing Balance Rand	Carrying value Rand
<b>Total property plant and equipment</b>														
Land and buildings	50 630 786	-	-	11 005 300	-	-	61 636 086	(7 577 231)	-	-	(74 486)	(256 713)	(7 908 430)	53 727 656
Infrastructure	1 575 274 835	138 197 786	(658 092)	(28 514 380)	-	-	1 683 300 149	(752 216 977)	516 556	-	(21 336 145)	(1 314 080)	(774 350 648)	908 949 503
Community Assets	162 181 829	28 303 715	-	(6 280 449)	-	-	185 185 195	(33 973 457)	-	-	(631 252)	(486 230)	(35 090 938)	150 094 256
Heritage assets	14 000	-	-	-	-	-	14 000	-	-	-	-	-	-	14 000
Other assets	110 135 361	18 489 751	(1 208 063)	-	-	-	127 417 049	(45 813 359)	-	-	(16 383 950)	-	(62 197 338)	65 219 710
	<b>1 898 216 911</b>	<b>185 991 252</b>	<b>(1 866 155)</b>	<b>(24 789 529)</b>	<b>-</b>	<b>-</b>	<b>2 057 552 479</b>	<b>(639 581 024)</b>	<b>516 556</b>	<b>-</b>	<b>(38 425 863)</b>	<b>(2 057 023)</b>	<b>(879 547 354)</b>	<b>1 178 005 125</b>
<b>Intangible assets</b>														
Computers - software & programming	8 238 203	11 332 397	-	-	-	-	19 570 600	(1 195 827)	-	-	(5 206 193)	-	(6 402 020)	13 168 580
	<b>8 238 203</b>	<b>11 332 397</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>19 570 600</b>	<b>(1 195 827)</b>	<b>-</b>	<b>-</b>	<b>(5 206 193)</b>	<b>-</b>	<b>(6 402 020)</b>	<b>13 168 580</b>
<b>Investment properties</b>														
Total	1 906 455 114	197 323 649	(1 866 155)	(24 789 529)	-	-	2 077 123 079	(840 776 851)	516 556	-	(43 632 056)	(2 057 023)	(885 949 374)	1 191 173 705

## Appendix D

### Segmental Statement of Financial Performance for the year ended Prior Year Current Year

Actual Income Rand	Actual Expenditure Rand	Surplus /(Deficit) Rand		Actual Income Rand	Actual Expenditure Rand	Surplus /(Deficit) Rand
<b>Municipality</b>						
1 446 000	71 738 667	(70 292 667)	Executive & Council/Mayor and Council	2 173 043	77 869 396	(75 696 353)
-	15 571 452	(15 571 452)	Finance & Admin/Finance	-	16 381 576	(16 381 576)
477 577 542	56 027 737	421 549 805	Planning and Development/Economic Development/Plan	521 159 929	56 636 963	464 522 966
119 798	82 504 504	(82 384 706)	Health/Clinics	299 063	117 770 732	(117 471 669)
5 674 852	63 958 696	(58 283 844)	Comm. & Social/Libraries and archives	6 126 703	89 761 611	(83 634 908)
325 255	13 414 981	(13 089 726)	Housing	113 309	15 219 497	(15 106 188)
3 490 797	15 449 719	2 173 043	Public Safety/Police	3 005 225	6 663 642	(3 658 417)
-	9 514 910	(9 514 910)	Sport and Recreation	-	12 621 766	(12 621 766)
-	29 420 236	(29 420 236)	Environmental Protection/Pollution Control	-	55 303 655	(55 303 655)
188 570 397	201 926 891	(13 356 494)	Waste Water Management/Sewerage	194 804 541	278 418 995	(83 614 454)
13 566 959	5 939 810	7 627 149	Road Transport/Roads	17 253 776	15 462 910	1 790 866
55 182 911	56 573 133	(1 390 222)	Water/Water Distribution	60 765 419	74 877 788	(14 112 369)
<b>745 954 511</b>	<b>622 040 736</b>	<b>138 045 740</b>		<b>805 701 008</b>	<b>816 988 531</b>	<b>(11 287 523)</b>
<b>Municipal Owned Entities Other charges</b>						
745 954 511	622 040 736	138 045 740	Municipality	805 701 008	816 988 531	(11 287 523)
<b>745 954 511</b>	<b>622 040 736</b>	<b>138 045 740</b>	<b>Total</b>	<b>805 701 008</b>	<b>816 988 531</b>	<b>(11 287 523)</b>

## Appendix E(1)

### Actual versus Budget(Revenue and Expenditure) for the year ended 30 June 2017

	Current year 2012 Act. Bal.	Current year 2012 Adjusted budget Rand	Variance Rand	Var	Explanation of Significant Variances greater than 10% versus Budget
	Rand	Rand	Rand		
Revenue					
Sale of goods	-	-	-	-	(Explanations to be recorded)
Sale of goods in agricultural activities	-	-	-	-	
Rendering of services	-	-	-	-	
Rendering of services in agricultural activities	-	-	-	-	
Property rates	-	-	-	-	
Service charges	137 776 585	-	137 776 585	-	
Sales of housing	-	-	-	-	
Construction contracts	-	-	-	-	
Royalty income	-	-	-	-	
Rental of facilities and equipment	-	-	-	-	
Interest received (trading)	-	-	-	-	
Dividends received (trading)	-	-	-	-	
Agency services	-	-	-	-	
Licences and permits	-	-	-	-	
Municipal Revenue UD1	-	-	-	-	
Municipal Revenue UD2	-	-	-	-	
Miscellaneous other revenue	-	-	-	-	
Administration and management fees received	-	-	-	-	
Fees earned	-	-	-	-	
Commissions received	150 758	-	150 758	-	
Royalties received	-	-	-	-	
Rental income	11 193	-	11 193	-	
Discount received	-	-	-	-	
Recoveries	-	-	-	-	
Other income 1	268 158	-	268 158	-	
Other income 2	1 193 436	-	1 193 436	-	
Financial instruments -	-	-	-	-	
Fee income	-	-	-	-	
Other income - (rollup)	-	-	-	-	
Other farming income 1	-	-	-	-	
Other farming income 2	-	-	-	-	
Other farming income 3	-	-	-	-	
Other farming income 4	-	-	-	-	
Other farming income	-	-	-	-	
Other income 3	-	-	-	-	
Interest received - investment	59 950 252	-	59 950 252	-	
Interest received - other	-	-	-	-	
Dividends received	-	-	-	-	
	199 350 382	-	199 350 382	-	



## Appendix E(1)

### Actual versus Budget(Revenue and Expenditure) for the year ended 30 Jun 2017

	Current year 2012 Act. Bal.	Current year 2012 Adjusted budget	Variance	Explanation of Significant Variances greater than 10% versus Budget
<b>Expenses</b>				
Personnel	(166 406 303)	-	(166 406 303)	-
Manufacturing -	-	-	-	-
Employee costs	-	-	-	-
Remuneration of councillors	(21 735 812)	-	(21 735 812)	-
Administration	(957 737)	-	(957 737)	-
Transfer payments	-	-	-	-
Depreciation	(108 713 281)	-	(108 713 281)	-
Impairment	-	-	-	-
Amortisation	-	-	-	-
Impairments	-	-	-	-
Reversal of impairments	-	-	-	-
Finance costs	(9 763 783)	-	(9 763 783)	-
Bad debts written off	(133 516 136)	-	(133 516 136)	-
Collection costs	-	-	-	-
Repairs and maintenance	-	-	-	-
- Manufacturing expenses	-	-	-	-
Repairs and maintenance	(54 373 082)	-	(54 373 082)	-
- General	-	-	-	-
Repairs and maintenance	-	-	-	-
- General	-	-	-	-
Bulk purchases	(74 354 276)	-	(74 354 276)	-
Contracted Services	(38 351 582)	-	(38 351 582)	-
Transfers and Subsidies	(4 612 716)	-	(4 612 716)	-
Cost of housing sold	-	-	-	-
General Expenses	(204 203 822)	-	(204 203 822)	-
Other (taken out of General expenses)	-	-	-	-
Other (taken out of General expenses)	-	-	-	-
Other (taken out of General expenses)	-	-	-	-
Other (taken out of General expenses)	-	-	-	-
Other (taken out of General expenses)	-	-	-	-
Other (taken out of General expenses)	-	-	-	-
	(816 988 530)	-	(816 988 530)	-
<b>Other revenue and costs</b>				
Gain or loss on disposal of assets and liabilities	(3 035 017)	-	(3 035 017)	-
Gain or loss on exchange differences	-	-	-	-
Fair value adjustments	396 233	-	396 233	-
Gains or losses on biological assets and agricultural produce	-	-	-	-
Income from equity accounted investments	-	-	-	-
Gain or loss on disposal of non-current assets held for sale or disposal groups	-	-	-	-

**Appendix F**  
Disclosures of Grants and Subsidies in terms of Section 123 MFMA, 56 of 2003

Name of Grants	Name of organ of state or municipal entity	Quarterly Receipts				Quarterly Expenditure				Grants and Subsidies delayed / withheld				Reason for delay/withholding of funds
		Sep	Dec	Mar	Jun	Sep	Dec	Mar	Jun	Sep	Dec	Mar	Jun	
Financial	National Tr	1 625	-	-	-	123	379	184	937	-	-	-	-	
Municipal Infrastructure	COGTA	26 701	46 728	40 078	-	-	551	746	479	20	-	-	-	
Water service operations and maintenance	Department of Water and Sanitation	-	11 583	917	-	-	3 647	1 074	-	-	-	-	-	
Water service infrastructure	Department of water and Sanitation	-	19 304	6 805	-	-	-	3 806	19 126	-	-	-	-	
Grant	Sanitation	684	1 231	820	40 078	-	508	746	2 099	-	-	-	-	
Expanded Public Works Programme	Public works	-	-	-	-	-	-	-	-	-	-	-	-	
Libraries	Department of Sports, Arts and Culture	1 300	-	-	-	26	27	19	376	-	-	-	-	The municipality was underspending on Library projects
EEDSM	Department of Energy	-	-	-	-	-	-	-	-	-	-	-	-	
		30 310	78 846	48 620	40 078	149	5 112	6 575	23 017	20	-	-	-	

Note: A municipality should provide additional information on how a grant was spent per Vote. This excludes allocations from the Equitable Share.

# Appendix G1 Budgeted Financial Performance (revenue and expenditure by standard classification) for the year ended 30 June 2017

2017/2016															2016/2015														
Original Budget	Budget Adjustments (i.t.o. s28 and s31 of the MFMA)	Final adjustments budget	Shifting of funds (i.t.o. MFMA)	Virement (i.t.o. Council approved policy)	Final Budget	Actual Outcome	Unauthorised expenditure	Variance of Actual Outcome against Budget Adjustments	Actual Outcome as % of Final Budget	Actual as % of Original Budget	Reported unauthorised expenditure	Expenditure authorised in terms of section 32 of MFMA	Balance to be recovered	Restated Audited Outcome															
Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand															
343 440 000	24 479 059	367 919 059	-	-	367 919 059	523 632 035	-	155 712 976	142 %	152 %	-	-	-	523 632 035															
2 735 000	-	2 735 000	-	-	2 735 000	2 173 043	-	(561 957)	79 %	79 %	-	-	-	2 173 043															
340 605 000	24 429 059	365 034 059	-	-	365 034 059	521 159 829	-	156 125 870	143 %	153 %	-	-	-	521 159 829															
Coronets services	50 000	150 000	-	-	150 000	299 063	-	149 063	199 %	299 %	-	-	-	299 063															
Community and public safety	3 089 000	3 077 000	-	-	3 077 000	5 884 372	-	2 807 372	191 %	190 %	-	-	-	5 884 372															
Community and social services	62 000	60 000	-	-	60 000	235 472	-	175 472	392 %	380 %	-	-	-	235 472															
Sport and recreation	27 000	17 000	-	-	17 000	-	-	(17 000)	- %	- %	-	-	-	-															
Public safety	3 000 000	3 000 000	-	-	3 000 000	5 648 900	-	2 648 900	188 %	188 %	-	-	-	5 648 900															
Economic and environmental services	4 623 000	(234 613)	-	-	4 388 387	3 760 098	-	(628 289)	86 %	81 %	-	-	-	3 760 098															
Planning and development	280 000	(140 000)	-	-	140 000	113 309	-	(28 891)	81 %	40 %	-	-	-	113 309															
Road transport	4 343 000	(94 613)	-	-	4 248 387	3 646 789	-	(601 598)	86 %	84 %	-	-	-	3 646 789															
Trading services	302 889 000	4 612 952	-	-	307 501 952	272 820 736	-	(34 681 216)	89 %	90 %	-	-	-	272 820 736															
Electricity	219 727 000	3 211 709	-	-	222 938 709	194 801 541	-	(28 137 168)	87 %	89 %	-	-	-	194 801 541															
Water	17 318 000	602 327	-	-	17 920 327	17 253 776	-	(666 551)	96 %	100 %	-	-	-	17 253 776															
Waste water management	65 844 000	998 916	-	-	66 842 916	60 765 419	-	(6 077 497)	91 %	92 %	-	-	-	60 765 419															
Total Revenue - Standard	654 041 000	29 045 398	-	-	683 086 398	806 097 241	-	123 010 843	118 %	123 %	-	-	-	806 097 241															

# Appendix G1 Budgeted Financial Performance (revenue and expenditure by standard classification) for the year ended 30 June 2017

2017/2016										2016/2015				
Original Budget	Budget Adjustments (i.t.o. s28 and s31 of the MFMA)	Final adjustments budget	Shifting of funds (i.t.o. s31 of the MFMA)	Virement (i.t.o. Council approved policy)	Final Budget	Actual Outcome	Unauthorised expenditure	Variance of Actual Outcome against Budget Adjustments	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Reported unauthorised expenditure	Expenditure authorised in terms of section 32 of MFMA	Balance to be recovered	Restated Audited Outcome
Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand
310 907 000	(41 358 925)	269 548 075	-	-	269 548 075	267 958 521	-	(1 589 554)	99 %	86 %	-	-	-	-
96 315 000	2 140 715	98 455 715	-	-	98 455 715	93 551 284	-	(4 904 451)	95 %	97 %	-	-	-	-
72 050 000	6 204 922	78 254 922	-	-	78 254 922	58 536 963	-	(21 617 959)	72 %	79 %	-	-	-	-
142 542 000	(49 704 562)	92 837 438	-	-	92 837 438	117 770 294	-	24 932 856	127 %	83 %	-	-	-	-
57 753 000	37 201 445	94 954 445	-	-	94 954 445	89 761 611	-	(5 192 834)	95 %	155 %	-	-	-	-
6 764 000	36 527 063	43 291 063	-	-	43 291 063	37 870 311	-	(5 420 752)	87 %	560 %	-	-	-	-
23 402 000	(980 477)	22 421 523	-	-	22 421 523	19 799 421	-	(2 622 102)	88 %	85 %	-	-	-	-
27 587 000	1 654 859	29 241 859	-	-	29 241 859	32 091 879	-	2 850 020	110 %	116 %	-	-	-	-
102 364 000	16 495 649	118 859 649	-	-	118 859 649	93 543 723	-	(25 315 926)	79 %	91 %	-	-	-	-
22 759 000	(3 346 145)	19 412 855	-	-	19 412 855	15 219 497	-	(4 193 358)	78 %	67 %	-	-	-	-
79 605 000	19 841 794	99 446 794	-	-	99 446 794	78 324 226	-	(21 122 568)	79 %	98 %	-	-	-	-
291 004 000	16 203 832	307 207 832	-	-	307 207 832	368 759 693	-	61 551 861	120 %	127 %	-	-	-	-
211 630 000	7 719 903	219 349 903	-	-	219 349 903	278 418 995	-	59 069 092	127 %	132 %	-	-	-	-
16 884 000	1 915 739	18 799 739	-	-	18 799 739	15 462 910	-	(3 336 829)	82 %	92 %	-	-	-	-
62 490 000	6 568 190	69 058 190	-	-	69 058 190	74 877 788	-	5 819 598	108 %	120 %	-	-	-	-
Total Expenditure - Standard	28 542 001	790 570 001	-	-	790 570 001	820 023 548	-	29 453 547	104 %	108 %	-	-	-	-
Surplus/(Deficit) for the year	503 397	(107 483 603)	-	-	(107 483 603)	(13 926 307)	-	93 557 296	13 %	13 %	-	-	-	806 097 241

## Expenditure - Standard

### Governance and administration

Executive and council

Budget and treasury office

Corporate services

Community and public safety

Community and social services

Sport and recreation

Public safety

Economic and environmental services

Planning and development

Road transport

Trading services

Water

Waste water management

Waste management

Total Expenditure - Standard

Surplus/(Deficit) for the year

Moses Kotane Local Municipality  
Financial statements for the year ended 30 June 2016

Appendix I

Disclosure of allowance of councillors

Councillor	Position	2015/17 Tabled Package	Total Package 2016/2017	Telephone allowance	Data Facility	15% Pension	Medical	Travel Allowance	Salary	Package plus phone & Data Allow
Mokati - Thebe F	Mayor	787 061,00	83 709,37	-	386,40	6 228,43	2 880,00	21 119,46	53 481,48	84 095,77
Diale RA	Mayor	787 061,00	721 445,60	-	3 300,00	70 578,74	-	180 341,86	470 525,00	734 745,60
Diale RA	Speaker	629 647,00	77 004,49	1 739,00	300,00	5 416,26	-	13 117,65	52 470,58	74 043,49
Vava S S	Executive	577 438,78	1 739,00	1 739,00	300,00	56 462,89	-	144 556,55	376 419,34	578 477,70
Nkotswe M N	Executive	590 296,00	49 191,33	1 739,00	300,00	4 624,37	1 440,00	12 297,83	30 829,13	51 231,33
Tshethane D R	Executive	590 296,00	49 191,33	1 739,00	300,00	4 624,37	1 440,00	12 297,83	30 829,13	51 231,33
Tshethane D R	Executive	590 296,00	520 326,11	19 322,00	3 600,00	47 989,86	15 840,00	130 315,86	326 180,39	539 940,11
Moithabi C N	Executive	590 296,00	590 295,96	20 868,00	3 600,00	55 492,44	17 280,00	147 573,96	369 949,56	614 763,96
Setrou A B	Executive	590 296,00	64 455,88	1 739,00	386,40	5 668,73	2 880,00	15 839,61	40 068,54	66 587,28
Manganye T R	Executive	590 296,00	49 191,33	1 739,00	300,00	4 812,20	-	12 297,83	32 081,30	51 230,33
Mashimo R E	Executive	590 296,00	590 295,96	20 868,00	3 600,00	57 746,40	-	147 573,96	384 975,60	614 763,96
Tshibane D R	Executive	590 296,00	64 383,72	1 739,00	386,40	5 956,19	2 880,00	15 839,61	39 707,92	66 508,12
Kapari L L	Executive	590 296,00	590 295,96	20 868,00	3 600,00	57 746,40	-	147 573,96	384 975,60	614 763,96
Monaka J	Executive	590 296,00	63 190,95	1 739,00	386,40	6 030,63	-	15 839,61	41 320,71	66 516,33
Kheasa V	Executive	590 296,00	538 251,53	20 485,95	3 228,57	52 934,20	-	132 423,03	352 894,30	581 966,05
Vava S S	MPAC Chair	550 942,00	45 911,83	1 739,00	300,00	4 491,38	-	11 477,96	29 942,49	47 950,83
Manganye T R	MPAC Chair	550 942,00	489 048,90	19 322,00	3 300,00	47 266,89	-	123 035,42	318 746,59	511 870,90
Matshaba M Z	Whip	590 296,00	590 295,76	22 961,00	3 600,00	50 461,80	17 280,00	147 573,96	374 980,00	616 896,76
Deleki N	Councillor	246 725,00	246 726,24	20 496,55	3 600,00	21 882,36	17 280,00	61 681,20	145 882,68	273 126,34
Sekomeng K J	Councillor	246 725,00	222 224,32	20 496,55	3 230,00	21 454,40	-	53 615,14	147 154,78	245 950,87
Khunou M K	Councillor	246 725,00	246 726,24	22 800,00	3 600,00	24 136,32	-	61 681,20	160 908,72	273 126,34
Boikanyo T K	Councillor	246 725,00	222 224,32	20 496,55	3 230,00	21 454,40	-	53 615,14	147 154,78	245 950,87
Tame P M	Councillor	246 725,00	222 224,32	20 496,55	3 230,00	21 454,40	-	53 615,14	147 154,78	245 950,87
Mosito M J	Councillor	246 725,00	222 224,32	20 496,55	3 230,00	20 702,47	5 760,00	53 615,14	142 146,71	245 950,87
Lukhele R M	Councillor	246 725,00	246 726,24	22 800,00	3 600,00	21 882,36	17 280,00	61 681,20	145 882,68	273 126,34
Magdielo M A	Councillor	246 725,00	246 726,24	22 800,00	3 600,00	24 136,32	-	61 681,20	160 908,72	273 126,34
Sibanda J S	Councillor	246 725,00	222 224,32	20 496,55	3 230,00	21 454,40	-	53 615,14	147 154,78	245 950,87
Manganye S M	Councillor	246 725,00	246 726,24	22 800,00	3 600,00	24 136,32	-	61 681,20	160 908,72	273 126,34
Gouwe IKD	Councillor	246 725,00	222 224,32	20 496,55	3 230,00	20 951,75	3 853,71	53 615,14	143 803,72	245 950,87
Nquthula P	Councillor	246 725,00	222 224,32	20 496,55	3 230,00	21 454,40	-	53 615,14	147 154,78	245 950,87
Kgarimetsa OG	Councillor	246 725,00	222 224,32	20 496,55	3 230,00	21 454,40	-	53 615,14	147 154,78	245 950,87
Siko GI	Councillor	246 725,00	222 224,32	20 496,55	3 230,00	21 078,74	2 880,00	53 615,14	144 650,44	245 950,87
Moate L	Councillor	246 725,00	246 726,24	22 800,00	3 600,00	24 136,32	-	61 681,20	160 908,72	273 126,34
Moatshe G D	Councillor	246 725,00	246 726,24	22 800,00	3 600,00	21 882,36	17 280,00	61 681,20	145 882,68	273 126,34
Mogathe	Councillor	246 725,00	246 726,24	22 800,00	3 600,00	24 136,32	-	61 681,20	160 908,72	273 126,34
Mabitsela MS	Councillor	246 725,00	222 224,32	20 496,55	3 230,00	21 454,40	-	53 615,14	147 154,78	245 950,87
Segale M J	Councillor	246 725,00	222 224,32	20 496,55	3 230,00	20 327,42	9 440,00	53 615,14	138 841,76	245 950,87
MonnaKgola T	Councillor	246 725,00	246 726,24	22 800,00	3 600,00	21 882,36	17 280,00	61 681,20	145 882,68	273 126,34
Masilo R M	Councillor	246 725,00	222 224,32	20 496,55	3 230,00	20 784,20	5 138,28	53 615,14	142 686,70	245 950,87
Sedile LK	Councillor	246 725,00	222 224,32	20 496,55	3 230,00	21 454,40	-	53 615,14	147 154,78	245 950,87
Mmolawa DR	Councillor	246 725,00	222 224,32	20 496,55	3 230,00	20 139,60	10 080,00	53 615,14	138 389,58	245 950,87
Matsibi ME	Councillor	246 725,00	55 171,13	4 813,55	830,40	5 801,97	-	13 680,62	35 688,54	60 815,08
Mogapi	Councillor	246 725,00	222 224,32	20 496,55	3 230,00	21 454,40	-	53 615,14	147 154,78	245 950,87
Moeng MR	Councillor	246 725,00	222 224,32	20 496,55	3 230,00	21 454,40	-	53 615,14	147 154,78	245 950,87
Kerleng KE	Councillor	246 725,00	222 224,32	20 496,55	3 230,00	20 784,20	5 138,28	53 615,14	142 686,70	245 950,87
Motsoenyane M Z	Councillor	246 725,00	246 726,24	22 800,00	3 600,00	24 136,32	-	61 681,20	160 908,72	273 126,34
Letswamotse AT	Councillor	246 725,00	222 224,32	20 496,55	3 230,00	21 454,40	-	53 615,14	147 154,78	245 950,87
Kgouwe H	Councillor	246 725,00	222 224,32	20 496,55	3 230,00	20 327,43	8 640,00	53 615,14	139 641,75	245 950,87

Ramokota MT	Councillor	246 725,00	222 224,32	20 496,55	3 230,00	20 348,52	8 478,27	53 615,14	139 782,39	245 950,87
Ruele N M	Councillor	246 725,00	222 224,32	20 496,55	3 230,00	20 348,52	8 538,12	53 615,14	139 730,34	245 950,87
Thobeka TP	Councillor	246 725,00	222 224,32	20 496,55	3 230,00	20 348,52		53 615,14	186 204,01	245 950,87
Mollo N	Councillor	246 725,00	222 224,32	20 496,55	3 230,00	20 348,52		53 615,14	147 154,78	245 950,87
Madisa TG	Councillor	246 725,00	222 224,32	20 496,55	3 230,00	20 348,52	8 540,00	53 615,14	139 641,75	245 950,87
Phaahla SO	Councillor	246 725,00	35 401,46	3 074,55	530,40	3 867,98		8 738,20	22 795,28	39 006,41
Radikama J M	Councillor	246 725,00	246 726,24	22 800,00	3 600,00	21 882,36	17 280,00	61 681,20	145 882,68	273 126,24
Ramokota A R	Councillor	246 725,00	246 726,24	22 800,00	3 600,00	24 136,32		61 681,20	160 908,72	273 126,24
Sekao H B	Councillor	246 725,00	246 726,24	22 800,00	3 600,00	24 136,32		61 681,20	160 908,72	273 126,24
Ponosho BM	Councillor	246 725,00	222 224,32	20 496,55	3 230,00	21 454,40		53 615,14	147 154,78	245 950,87
Sennelo AO	Councillor	246 725,00	222 224,32	20 496,55	3 230,00	20 515,25	7 200,00	53 615,14	140 893,93	245 950,87
Tau D D	Councillor	246 725,00	246 725,04	22 800,00	3 600,00	32 181,48		53 615,14	147 154,78	245 950,87
Bubisi K D	Councillor	246 725,00	222 224,32	20 496,55	3 230,00	21 454,40		53 615,14	147 154,78	245 950,87
Lesomo LP	Councillor	246 725,00	246 726,24	22 800,00	3 600,00	24 136,32		53 615,14	142 146,10	245 950,87
Kodongo	Councillor	246 725,00	246 726,24	22 800,00	3 600,00	24 136,32	5 760,00	53 615,14	147 154,78	245 950,87
Matijila B	Councillor	246 725,00	246 726,24	22 800,00	3 600,00	20 703,08		53 615,14	147 154,78	245 950,87
Searago K	Councillor	246 725,00	222 224,32	20 496,55	3 230,00	21 454,40		53 615,14	147 154,78	245 950,87
Matlakaia MP	Councillor	246 725,00	222 224,32	20 496,55	3 230,00	20 951,75	3 853,71	53 615,14	143 803,72	245 950,87
Modimokwane ML	Councillor	246 725,00	221 473,00	20 496,55	3 230,00	20 703,08		53 615,14	147 154,78	245 950,87
Kgame ZL	Councillor	246 725,00	222 224,32	20 496,55	3 230,00	20 951,75		53 615,14	143 803,72	245 950,87
Motshagare TJ	Councillor	246 725,00	222 224,32	20 496,55	3 230,00	21 454,40		53 615,14	147 154,78	245 950,87
Tukisi KI	Councillor	246 725,00	222 224,32	20 496,55	3 230,00	20 515,25	7 200,00	53 615,14	140 893,93	245 950,87
Tladi ST	Councillor	246 725,00	222 224,32	20 496,55	3 230,00	21 454,40		53 615,14	147 154,78	245 950,87
Mothaga P R	Councillor	246 725,00	222 224,32	20 496,55	3 230,00	21 454,40		53 615,14	147 154,78	245 950,87
Nkotswa	Councillor	246 725,00	222 224,32	20 496,55	3 300,00	19 388,28	15 840,00	53 615,14	133 380,90	246 020,87
Manganye TR	Councillor	246 725,00	15 256,36	1 739,00		1 558,56		3 795,78	9 902,02	16 995,36
Aphiri	Councillor	246 725,00	159 436,94	15 522,00	2 400,00	14 460,32	8 640,00	39 934,52	96 402,10	177 358,94
Ditswene	Councillor	246 725,00	91 085,69	8 679,19	1 358,40	7 519,09	2 880,00	22 774,44	57 912,16	101 123,28
Chiaka DIS	Councillor	246 725,00	222 224,32	20 496,55	3 230,00	21 454,40		53 615,14	147 154,78	245 950,87
Tshehathane DR	Councillor	246 725,00	17 071,17	1 739,00		1 933,37	1 440,00	3 795,78	9 902,02	18 810,17
Ndlovu H	Councillor	237 236,00	25 048,61	3 663,25	386,40	2 249,05	1 440,00	6 365,84	14 993,72	29 098,26
Letlapa A T	Councillor	237 236,00	26 488,61	3 663,25	386,40	2 249,05	2 880,00	6 365,84	14 993,72	30 538,26
Lephoto ET	Councillor	237 236,00	25 463,34	3 663,25	386,40	2 490,98		6 365,84	16 606,52	29 512,99
Leoto M D	Councillor	237 236,00	25 463,34	3 663,25	386,40	2 490,98		6 365,84	16 606,52	29 512,99
Makgethi M S	Councillor	237 236,00	25 463,34	3 663,25	386,40	2 490,98		6 365,84	16 606,52	29 512,99
Mashishi S N	Councillor	237 236,00	26 488,61	3 663,25	386,40	2 249,05	2 880,00	6 365,84	15 067,28	30 453,66
Matlapeng S S	Councillor	237 236,00	26 404,01	3 663,25	386,40	2 260,09	2 710,80	6 365,84	16 606,52	30 538,26
Mkhandawari P P	Councillor	237 236,00	25 463,34	3 663,25	386,40	2 490,98		6 365,84	16 606,52	29 512,99
Mngomezulu P P	Councillor	237 236,00	25 463,34	3 663,25	386,40	2 490,98		6 365,84	16 606,52	29 512,99
Moloi F	Councillor	237 236,00	25 463,34	3 663,25	386,40	3 133,48	1 440,00	6 365,84	20 889,85	29 512,98
Monyatsi M V	Councillor	237 236,00	26 488,61	3 663,25	386,40	2 249,05	2 880,00	6 365,84	14 993,72	30 538,26
Selotlego J	Councillor	237 236,00	25 463,34	3 663,25	386,40	2 249,05	2 880,00	6 365,84	14 993,72	30 538,26
Moeng T J	Councillor	237 236,00	25 463,34	3 663,25	386,40	2 249,05	2 880,00	6 365,84	16 606,52	29 512,99
Morua E G	Councillor	237 236,00	26 488,61	3 663,25	386,40	2 249,05	2 880,00	6 365,84	14 993,72	30 538,26
Motshogoe D M	Councillor	237 236,00	26 488,61	3 663,25	386,40	2 249,05	2 880,00	6 365,84	16 606,52	29 512,99
Mothaga P R	Councillor	237 236,00	25 463,34	3 663,25	386,40	2 490,98		6 365,84	16 606,52	29 512,99
Nhiapo L	Councillor	237 236,00	26 488,61	3 663,25	386,40	2 249,05	2 880,00	6 365,84	14 993,72	30 538,26
Ramapotsoka G M	Councillor	237 236,00	26 488,61	3 663,25	386,40	2 249,05		6 365,84	16 606,52	29 512,99
Moyo D F	Councillor	237 236,00	25 463,34	3 663,25	386,40	2 490,98		6 365,84	16 606,52	29 512,99
Masilo J	Councillor	237 236,00	25 463,34	3 663,25	386,40	2 490,98		6 365,84	16 606,52	29 512,99
Nontzaba M	Councillor	237 236,00	26 488,61	3 663,25	386,40	2 249,05	2 880,00	6 365,84	14 993,72	30 538,26
Maretelle J	Councillor	237 236,00	26 488,61	3 663,25	386,40	2 249,05	2 880,00	6 365,84	16 606,52	29 512,99
Pele J M	Councillor	237 236,00	25 463,34	3 663,25	386,40	2 490,98		6 365,84	16 606,52	29 512,99
Rasepape M D	Councillor	237 236,00	25 463,34	3 663,25	386,40	2 490,98		6 365,84	16 606,52	29 512,99
Pheto M R	Councillor	237 236,00	26 488,61	3 663,25	386,40	2 249,05	2 880,00	6 365,84	16 606,52	29 512,99
Ntshabele S	Councillor	237 236,00	26 488,61	3 663,25	386,40	2 249,05	2 880,00	6 365,84	14 993,72	30 538,26
Sekhu S K	Councillor	237 236,00	26 404,01	3 663,25	386,40	2 260,09	2 710,80	6 365,84	15 067,28	30 453,66
Sihla M I	Councillor	237 236,00	25 463,34	3 663,25	386,40	2 490,98		6 365,84	16 606,52	29 512,99
Tshile L M J	Councillor	237 236,00	25 463,34	3 663,25	386,40	2 490,98		6 365,84	16 606,52	29 512,99
Letlapa E	Councillor	237 236,00	25 463,34	3 663,25	386,40	2 490,98		6 365,84	16 606,52	29 512,99
Total		32 939 432,00	19 315 911,98	1 451 785,09	225 365,37	1 841 082,22	337 861,97	4 634 207,09	12 502 760,70	20 993 060,44